

LEGISLATIVE ASSEMBLY DEBATES

TUESDAY, 6th MARCH, 1934

Vol. II—No. 11

OFFICIAL REPORT



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LEGISLATIVE ASSEMBLY.

Tuesday, 6th March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

PROPOSALS REGARDING TARIFF ARRANGEMENTS BETWEEN INDIA AND BURMA.

341. *Mr. Gaya Prasad Singh: (a) Will Government be pleased to state if they are aware of any proposal with regard to tariff arrangements between India and Burma in the event of Burma's separation?

(b) Is there any truth in the report that agreements for ten years or so will be entered into, by virtue of which India will not be able to impose any tariffs on imports from or exports to Burma?

The Honourable Sir Joseph Bhoré: (a) The question of tariff arrangement between India and Burma in the event of the separation of Burma is under consideration.

(b) The answer is in the negative.

Mr. M. Maswood Ahmad: Will Government give an opportunity for a discussion of this question on the floor of this House?

The Honourable Sir Joseph Bhoré: I think it will be possible to give an assurance that the views of this House will be ascertained before any final decision is taken.

Sir Cowasji Jehangir: May I ask whether a Member of Government has the right to allude to the separation of Burma since it is before the House of Commons?

The Honourable Sir Joseph Bhoré: It was a hypothetical allusion. I said, "in the event of the separation of Burma."

EX-SOLDIER CLERKS IN THE ARMY HEADQUARTERS.

342 *Mr. S. C. Mitra: With reference to the answer given on the 30th January, 1934, to my starred question No 53, wherein it had been stated that, out of 600 clerks employed in the whole of the Army Headquarters, 100 were soldier and 50 lady clerks, will Government be pleased now to state the number of ex-soldier clerks at the Army Headquarters, i.e., those clerks that had first entered service at the Army Headquarters as soldier clerks and were subsequently civilianized and are now drawing civilian rates of pay?

Mr. G. R. F. Tottenham: There are 93 ex-soldier clerks now serving in the regular ministerial establishment of the Army Headquarters.

Mr. Lalchand Navalrai: Why are soldiers necessary to be employed as clerks in the Army Headquarters?

Mr. G. R. F. Tottenham: Because some military knowledge is required in connection with the work.

Mr. S. C. Mitra: Is it not possible for other people, besides actual soldiers, to acquire that knowledge?

Mr. G. R. F. Tottenham: Not entirely. A certain amount of practical military knowledge is required. The 93 clerks represent a small proportion of the total number of clerks employed.

Mr. Lalchand Navalrai: What is that kind of military knowledge which is required of a clerk?

Mr. G. R. F. Tottenham: I do not think I can enlighten the Honourable Member if he does not understand it himself. Some military knowledge is required for military work.

Mr. S. C. Mitra: Are lady clerks recruited from the standpoint of possessing military knowledge?

Mr. G. R. F. Tottenham: No, Sir. Lady clerks are recruited for their knowledge of stenography and typewriting.

Mr. B. V. Jadhav: May I know whether the military knowledge that is required of these clerks is not given in the U. T. C.?

Mr. G. R. F. Tottenham: No, Sir. The U. T. C. is not given clerical work of any kind.

CLERICAL EMPLOYMENT FOR CIVILIANS IN THE DEPARTMENTS OF THE WAR OFFICE IN ENGLAND

343. ***Mr. S. C. Mitra:** With reference to the answer to my starred question No. 54 of the 30th January, 1934, will Government please state whether it is a fact that civilians as such are not debarred from obtaining clerical employment in the departments of the War Office in England, which corresponds to the Army Headquarters in India?

Mr. G. R. F. Tottenham: The Government of India have no information beyond the fact that the establishment consists of soldiers and ex-soldiers.

RATES OF PAY DRAWN BY THE CIVIL SERVICE CLERICAL PERSONNEL IN THE WAR OFFICE IN ENGLAND.

344. ***Mr. S. C. Mitra:** With reference to the answer to parts (a) and (b) of my starred question No. 55 of the 30th January, 1934, will Government please state the rates of pay drawn by the various grades of the

civil service clerical personnel (including lady clerks) employed in the departments of the War Office controlled by the Parliamentary and Permanent Under-Secretaries of State for War, and the Financial Secretary, and those administered by the Chief of the Imperial General Staff, Adjutant General, Quartermaster-General and Master General of the Ordnance at the War Office, London?

Mr. G. R. F. Tottenham: The Government of India have no information.

Mr. S. C. Mitra: Is it not a fact that our Military Department is merely a part and parcel of the British War Office?

Mr. G. R. F. Tottenham: No, Sir, we have an entirely separate establishment in this country.

Mr. S. C. Mitra: Then are we to take it that you have no connection with the War Office of the British Government and are a separate entity?

Mr. G. R. F. Tottenham: We are entirely separate.

SOLDIER AND LADY CLERKS IN THE ARMY HEADQUARTERS.

345. ***Mr. S. C. Mitra:** (a) With reference to the answers in connection with my starred question No. 56 of the 30th January, 1934, is it a fact that Government propose to give the desired financial effect by reducing the rates of pay of Indian clerks only, leaving the soldier and lady clerks' rates entirely untouched? If so, why?

(b) Is it the policy of Government to pay a man not according to his worth, nor according to the value of the work performed by him, but according to the race to which he belongs?

(c) Will Government please state the method of the test employed to satisfy themselves that (i) the minimum wage on which a British soldier clerk can afford to live in Simla and Delhi is Rs. 190 per mensem; (ii) the minimum wage on which an unmarried lady clerk can afford to live in Simla and Delhi is Rs. 100 per mensem; and (iii) the minimum wage on which an Indian graduate with dependents, passing out of the Public Service Commission competitive test, can afford to exist in Simla and Delhi is Rs. 60 per mensem?

(d) Will Government please state the educational qualifications of the soldier and ex-soldier clerks at present serving in the Army Headquarters, and the minimum educational qualifications which Government intend that the future soldier clerks of the Indian Army Corps of Clerks should possess?

(e) With reference to the suggestion that the soldier clerks, whose initial pay is fixed at Rs. 190, are always employed in the second division, will Government please state the minimum pay of the second division clerk's grade? Is it Rs. 190 to begin with? If not, what is it?

(f) With reference to the suggestion in the answers to questions Nos. 56 and 60 (a) (i) of the 30th January 1934, that the object underlying the scheme contained in Army Department letter No. 38166/1 (A. D.-3),

dated the 16th December, 1933, in so far as it concerns the civilian personnel, is to give the latter a constitution better suited to a military organization, will Government please state whether members of the Indian Wing:

- (i) like those of the British Wing, will be eligible for wearing military uniform while on duty;
- (ii) will be subject to the Indian Army Act;
- (iii) will be governed by the provisions in the military regulations to regulate their leave, pension, etc.; and
- (iv) will be instructed in military discipline and procedure?

If not, will Government be pleased to state how the declared purpose of the new constitution is going to be fulfilled?

(g) With reference to the suggestion that the British personnel require higher rates of pay than Indians living in their own country, will Government please state whether this consideration is confined to Army Headquarters clerical establishment alone, and not to members of the Governor-General's Council, and to those of the Indian Civil Service, holding identical posts, such as Secretaries to the Government of India? If so, why?

(h) Will Government please state whether Indian clerks serving in the High Commissioner's Office in England receive higher rates of pay than Englishmen living in their own country? If not, why not?

Mr. G. R. F. Tottenham: (a), (b) and (c). The Honourable Member has not, I think, put the position quite fairly. The point is that investigations have shown, not only on the military side but also on the civil side, that an ample supply of suitable Indian clerks can be obtained on rates of pay considerably lower than those which they now receive. In Army Headquarters however a certain proportion of clerks with military knowledge are also required and in addition a number of lady clerks. Government are satisfied by experience that an adequate supply of suitable clerks in these categories cannot be obtained on rates of pay lower than those which they now receive; and it is on these grounds that the different rates of pay have been fixed.

(d) The answer to both portions of the question is the Army first class certificate of Education.

(e) Soldier clerks on Rs. 190 are employed in both the First and Second Divisions. The minimum pay of the Second Division is Rs. 90.

(f) As I have already explained, the organisation will be divided into a military wing and a civilian wing not into a British wing and an Indian wing. The answers to the various parts of the question are:

- (i) No
- (ii) Yes
- (iii) and (iv) No.

The Government of India are satisfied that subjection to military discipline will secure the purpose in view.

(g) The principle is not confined to the Army Headquarters alone. An overseas allowance is paid in most services to men of non-Asiatic domicile, up to a certain salary maximum. Beyond that maximum an overseas allowance is not considered necessary.

(h) Yes. Indian clerks in the High Commissioner's Office get an overseas allowance.

Mr. Lalchand Navalrai: May I know if there have been any instances in which soldiers and lady clerks could not be secured on the same pay that the Indian clerks get?

Mr. G. R. F. Tottenham: Yes, Sir. We have gone into this question very carefully, and we have found that we cannot get soldier clerks to come on the lowest rates of pay for which Indian clerks are prepared to come.

Mr. S. C. Mitra: Is it the policy of the Government of India to recruit their officers and clerks at the lowest rates available in India?

Mr. G. R. F. Tottenham: For financial reasons it would surely be wrong for us to pay our employees more than we can get them for in the open market. I would suggest to the Honourable Member that we have been faced with a somewhat difficult problem in this matter. The rates of pay for clerks generally in Government service, in the Civil Secretariats and Attached Offices, have recently been considerably decreased. The rates of pay in the Army Headquarters have always been slightly less than those in the Secretariat, and the new rates of pay that we have prepared for Indian clerks in the Army Headquarters compare very favourably with the reduced rates of pay that have been given on the civil side. We are, therefore, left with the question of the soldier clerks and the lady clerks. The number of soldier clerks has been considerably reduced, but we have not been able to reduce their rates of pay. That, Sir, is really the position.

Mr. S. C. Mitra: Is it the contention of the Honourable Member that the services are recruited on a scale of pay which is the minimum for which officers and clerks are available, and the Army Department gives even lesser scales of pay?

Mr. G. R. F. Tottenham: That is scarcely correct; we cannot afford to give in the Army Headquarters higher rates of pay for Indian clerks than the Secretariat are giving on their side.

Mr. S. C. Mitra: And is it the contention that even Anglo-Indian ladies cannot be had for Rs. 90, that is, the rate that is given to Indian clerks?

Mr. G. R. F. Tottenham: It is a fact that some years ago we paid these lady clerks considerably less than Rs. 100, and the results were unsatisfactory.

Mr. S. C. Mitra: May I take it that Government are anxious to recruit some lady clerks and that they could not get these lady clerks at the pay which is offered to Indian clerks? Is that the contention?

Mr. G. R. F. Tottenham: That is, generally speaking, correct

Mr. S. C. Mitra: What is the necessity and urgency for the Army Department to have lady clerks at a higher rate, particularly as these clerks do the same military and clerical work like other clerks?

Mr. G. R. F. Tottenham: As I have already explained before, there are certain classes of work which can in our opinion be more efficiently and better performed by ladies than by men. That is why we recruit these lady clerks. I believe it is also a fact that in the Civil Secretariats a certain number of lady clerks are employed and they too receive higher rates of pay than are given to male clerks.

Mr. S. C. Mitra: Then, may I ask the Honourable the Home Member whether the Government of India have adopted the policy of recruiting, for certain classes of work, lady clerks at a higher rate of pay, thus putting an additional burden on the Indian tax-payer?

The Honourable Sir Harry Haig: I am afraid I must ask my Honourable friend to give me notice of that question.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House what exactly he means by the distinction he made between the military wing and the civil wing of army clerks, and are these duties not interchangeable?

Mr. G. R. F. Tottenham: The military wing is that portion of the Army Headquarters which is drawn from serving soldiers. They start with a knowledge of the working of the army, and their knowledge in that respect is very useful: the rest of the work is performed by Indian clerks who pick up a knowledge of army matters in theory; but they have no practical knowledge of the working of the army.

Mr. N. M. Joshi: May I ask, if Indian ladies apply for these lady clerks' posts, they will get the same rates of pay?

Mr. G. R. F. Tottenham: Certainly.

Sir Cowasji Jehangir: May I ask what the total pay bill of these soldier clerks in India amounts to?

Mr. G. R. F. Tottenham: I must ask for notice of that question: I cannot give the information offhand.

Mr. S. C. Mitra: As regards part (h) of my question, the Honourable Member said that there was a difference in the allowances granted to Indian clerks in the High Commissioner's Office in England: has he taken care to notice that the difference is in the overseas allowance and not in the initial scale of pay?

Mr. G. R. F. Tottenham: I think the main point is that the Indians employed in the High Commissioner's Office receive greater emoluments than the others.

Mr. B. Das: Do I take it that the lady clerks employed in the Army and Civil Departments, more particularly in the Army Department, exercise a certain amount of soothing influence on the officers there, and that, therefore, there is greater efficiency in the work of those officers?

Mr. G. R. F. Tottenham: No.

Mr. M. Maswood Ahmad: Is it a fact that married girls are debarred from Government service?

Mr. G. R. F. Tottenham: That is the rule in the Army Headquarters: as soon as a lady clerk marries, she leaves her employment.

Mr. M. Maswood Ahmad: Will Government be pleased to state the reasons for employing only unmarried girls as clerks?

Mr. G. R. F. Tottenham: The reasons, I think, are obvious: that married ladies have other duties to perform.

SUPERSESSION OF INDIAN CLERKS IN THE ARMY HEADQUARTERS.

346. ***Mr. S. C. Mitra:** With reference to part (b) of my starred question No. 57 of the 30th January, 1934, will Government please state the number of cases during the last five years in which Indian clerks were superseded in the matter of promotion by soldier or ex-soldier clerks at the Army Headquarters and Government did not interfere on the ground that the very high officer in whose discretion the matter rested was in the best position to judge the relative efficiency of the various men working in his office and there was no reason whatever to believe that his choice was in any way influenced by racial considerations?

Mr. G. R. F. Tottenham: Enquiries are being made and the result will be placed on the table in due course.

RACIAL DISCRIMINATION IN THE MATTER OF EXEMPTIONS FROM EMERGENCY CUT IN PAY IN THE ARMY HEADQUARTERS.

347. ***Mr. S. C. Mitra:** Will Government please state the number and pay (of each man) of soldier and ex-soldier clerks, and the number and pay (of each man) of Indian clerks at the Army Headquarters who applied for and were either granted or refused exemptions from the emergency pay cut ever since its introduction? Was the exemption confined to the British personnel only? If so, what was the reason for that racial discrimination?

Mr. G. R. F. Tottenham: No individual was granted full exemption from the emergency cut.

In 1932-33, 17 soldier or ex-soldier clerks applied for special relief and relief varying from 30 per cent to 90 per cent was granted in 9 out of the 17 cases. In two of these 9 cases the pay was Rs. 212; in the other seven cases it was Rs. 190 per mensem. In the same year 3 Indian clerks whose pay was Rs. 250, 202 and 102 applied for special relief, but no exemption was granted.

In 1933-34, 5 soldier or ex-soldier clerks applied for renewal of the special relief granted in the previous year and exemption varying from Rs. 2 to Rs. 8 per mensem was granted to four of them while stationed in Simla only. No Indian clerks applied for relief.

All the claims for exemption were considered with reference to the adequacy of the amount left to the individual after meeting obligatory expenditure, as shown in the information supplied by the applicants themselves.

Mr. S. C. Mitra: Was there any rule passed by the Government of India that this retrenchment of ten per cent before, and five per cent now, will not apply to particular cases and was any exemption given by any Department other than the Army Department which has given concession to European soldiers?

Mr. G. R. F. Tottenham: I cannot answer on behalf of other Departments, but there was a definite provision made when the cut was imposed that specially hard cases would receive the consideration of His Excellency the Viceroy.

Mr. S. C. Mitra: I did not put the question to the Army Secretary: I asked Government whether at the time of passing these orders it was provided that the five per cent emergency cut in pay should not apply in particular cases in any Department, or whether it was only provided for the Army Department.

Mr. G. R. F. Tottenham: Discretion was given to all Departments to put up particularly hard cases for the orders of His Excellency the Viceroy.

Mr. S. C. Mitra: May I know if in any other Department any Indian was given any concession as regards the five per cent emergency cut in pay?

The Honourable Sir Harry Haig: I am told that there have been instances, but altogether there have been very few cases, I think, in which exemptions from the cut have been granted.

Mr. S. C. Mitra: May I ask the Postal Department whether, in the case of people getting below Rs. 40, any remission was granted in the cut, and, if so, in how many cases?

Mr. President (The Honourable Sir Shanmukham Chetty): This question is specifically addressed to the Army Department; and any question arising out of this with regard to any other Department, ought to be given notice of and put down as a separate question: that will be more convenient.

DUTIES OF A SPECIFIC POST IN A PARTICULAR ESTABLISHMENT OF THE ARMY HEADQUARTERS.

348. ***Mr. S. C. Mitra:** (a) With reference to the answers to parts (a) and (b) of my starred question No. 58 of the 30th January, 1934, is it a fact that a man, whose entertainment was sanctioned for performing the duties of a specific post in a particular establishment, could be employed outside that establishment without raising audit objection that the post against which the man was borne was not essential and must be abolished?

(b) Will Government please state, if the 11 men were required for work at the Army Headquarters, why they were not given the rates of pay prevailing there?

(c) Will Government please state when they expect the first Indian storekeeper to be brought up to the Army Headquarters for employment as a technical clerk on rates of pay sanctioned for performing technical duties in the Ordnance Branch at the Army Headquarters?

Mr. G. R. F. Tottenham: (a) The Honourable Member has not stated the position correctly. Military subordinates are appointed to the I. A. O. C. for any work in the department for which they may be required. The headquarters of the I. A. O. C. is part of the M. G. O. Branch and a military subordinate of the Corps serving in that part of the Branch is serving in his own department.

(b) Because they were required for special work; for which the pay of their own corps is obviously appropriate.

(c) As explained to the Honourable Member on the 30th January in reply to his starred question No. 58, it takes several years of specialised training in arsenals for technical clerks to acquire the requisite knowledge, and I cannot foretell when a fully qualified Indian Storekeeper will be forthcoming for employment at the Army Headquarters.

Mr. S. C. Mitra: I take it that they get the scale of pay prevailing in the Department from which they are taken?

Mr. G. R. F. Tottenham: Yes: they get exactly the same scale of pay as they got in the arsenals. In the old days, when we took clerks from arsenals and employed them in the Army Headquarters, they used to get a special addition to their pay: now we have abolished that and they get exactly the same pay as they would be receiving in the arsenals, which is, I may say, very much the same as in the Army Headquarters.

DISCRIMINATION IN THE MATTER OF PAY AND ALLOWANCES IN THE ARMY HEADQUARTERS.

349. *Mr. S. C. Mitra: (a) With reference to the answer to my starred question No. 61 of the 30th January, 1934, is it a fact that the civilian personnel of the Army Headquarters are not subject to Fundamental Rules? If so, what was the reason for quoting those rules?

(b) Will Government please state whether the lady clerks employed in Government offices in England are accorded preferential treatment, in consideration of their sex over men clerks in regard to pay and travelling allowances?

(c) Are Government prepared to consider the desirability of amending all the relevant regulations with a view to eliminating any appearance of discrimination due to race and sex, and according equal treatment to members of all nationalities in the matter of pay and allowances? If not, why not?

The Honourable Sir Harry Haig: (a) The answer to the first part is in the affirmative. As regards the second part I may state that as the Honourable Member's original question was in general terms (which is the reason why I answered it instead of my Honourable friend the Army Secretary) I referred in my reply to Rule 18 of the Supplementary Rules. A Note to that Rule reproduces the orders contained in the Home Department Office Memorandum No. F. 281/26-Ests., dated the 18th February, 1927 and these orders are applicable to lady clerks irrespective of whether they are governed by the Fundamental Rules or the Civil Service Regulations.

(b) I am afraid I have no information on this point.

(c) The answer is in the negative, as Government consider that there is ample justification for the existing rules or orders in so far as they take into account the sex or the domicile of Government servants.

Mr. M. Maswood Ahmad: Do Government propose to inquire from the Home Government, with reference to part (b) of the question, as to what is the procedure there?

The Honourable Sir Harry Haig: No: I do not see why in this matter we should follow whatever happens to be the practice under different conditions in England.

PROMOTION OF AN INDIAN CLERK AS OFFICER SUPERVISOR IN THE BRANCHES OF THE ARMY HEADQUARTERS.

350. ***Mr. S. C. Mitra:** Will Government please state if they anticipate that an Indian clerk will ever be promoted to be Officer Supervisor in the principal branches of the Army Headquarters?

Mr. G. R. F. Tottenham: There is no reason to suppose that no Indian will ever be promoted Officer Supervisor. In fact Indians *have* been appointed to these posts in the past and one of them was selected in supersession of several Europeans.

POST OF THE DIRECTOR OF REGULATIONS AND FORMS.

351. ***Mr. S. C. Mitra:** With reference to the answer to my starred question No. 59 of the 30th January, 1934, are Government prepared to consider the desirability of

- (i) substituting an Indian officer for the present incumbent of the post of Director of Regulations and Forms; and
- (ii) altering the present designation of the post in favour of a more appropriate name, such as Controller of Army Printing and Establishment?

If not, why not?

Mr. G. R. F. Tottenham: Government are not prepared to make any immediate change either in the designation of the post or its holder. The claims of Indians for appointment to the post will be considered when a vacancy occurs in the normal course. Meanwhile I would invite the Honourable Member's attention to the Proceedings of the Military Accounts Committee (of which he was a member) on the 25th July, 1933, when the Committee agreed as to the importance of the post and the necessity for proceeding with the special work on the revision of Army Regulations on which its present incumbent is engaged. The control of Printing and Establishments constitutes a comparatively minor portion of the Director's duties.

Mr. S. C. Mitra: What is his major work?

Mr. G. R. F. Tottenham: The revision of Regulations.

Mr. S. C. Mitra: He frames the Regulations, is that the case, or he merely drafts the Regulations? What is the position?

Mr. G. R. F. Tottenham: He is responsible for revising all Army Regulations and endeavouring to make them simpler and less complicated than they are at present.

RETURNS OF INCOME DERIVED FROM COFFEE CROPS GROWN ON LANDS IN MYSORE AND OTHER INDIAN STATES.

352. *Dr. F. X. DeSouza: (a) Is it a fact that the Income-tax authorities in the Madras Presidency are calling upon coffee planters to submit returns of income derived from coffee crops grown on lands in Mysore and other Indian States?

(b) Is not such income exempt from income-tax under the last proviso to sub-section (2) of section 4 of the Income-tax Act, 1922, as amended by Act XII of 1933? If so, what is the object of calling for returns of such incomes, entailing as they do considerable amount of hardship on planters by way of clerical labour, etc.?

The Honourable Sir George Schuster: (a) Yes; in cases where the income, profits or gains from the business are liable to taxation under sub-section (1) of section 4 of the Indian Income-tax Act.

(b) The answer to the first part of the question is in the negative, because the last proviso to sub-section (2) of section 4 of the Act applies only to cases where the income would, but for the proviso, have been assessable under that sub-section, and not to cases where the income is assessable under sub-section (1) of the same section. The second part of the question does not, therefore, arise.

LEAVE GRANTED TO GOVERNMENT SERVANTS IN CONNECTION WITH COURT CASES.

353. *Mr. Sitakanta Mahapatra: Is it a fact that leave is always granted by the Government of India to their superior and inferior servants in connection with Court cases?

The Honourable Sir Harry Haig: If a Government servant is summoned as a witness, he is ordinarily granted permission to attend Court, subject to the exigencies of the Government service.

Mr. Lalchand Navalrai: And if he is called as an accused?

The Honourable Sir Harry Haig: Then I think there is no question of discretion.

SYSTEM OF RECRUITMENT OF PERMANENT WAY INSPECTORS ON THE NORTH WESTERN RAILWAY.

354. *Khan Sahib Shaikh Fazal Haq Piracha: (a) What is the system of recruitment of Permanent Way Inspectors on the North Western Railway? Are recruitments made direct, or is promotion given to the Assistant Way Inspectors who qualify themselves by passing the necessary examination?

(b) What is the difference between an Assistant Inspector, II grade, qualified for the post of a Permanent Way Inspector, and an Apprentice Permanent Way Inspector working as an Assistant Way Inspector, II grade?

(c) Is it a fact that Apprentice Permanent Way Inspectors are given preference over old experienced Assistant Way Inspectors qualified in every way, at the time of filling vacancies of Permanent Way Inspectors? If so, why?

(d) Is it a fact that there are several Assistant Way Inspectors on the North Western Railway, with long experience of service behind them, who have qualified themselves for the posts of Permanent Way Inspector, and that their rights are ignored when any vacancy occurs among the Permanent Way Inspectors?

(e) Do Government realise that, in making direct recruitments to the posts of Permanent Way Inspectors, the old Assistant Way Inspectors are debarred from further promotion till their retirement?

(f) Do Government propose to reconsider the present system of recruitment to the posts of Permanent Way Inspectors, and fix a good percentage of them to be filled up from amongst the old Assistant Way Inspectors who might be qualified for promotion?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House in due course.

RUNNING OF THROUGH COMPARTMENTS BETWEEN LAHORE AND MALAKWAL.

355. ***Khan Sahib Shaikh Fazal Haq Piracha:** (a) Is it a fact that previously First, Second and Inter Class through compartments used to run between Lahore and Malakwal and *vice versa*, and that the running of these compartments has since long been stopped?

(b) Are Government aware that this discontinuance of the running of these through compartments is causing great inconvenience to a vast number of passengers, travelling towards Lahore *via* Malakwal and back?

(c) Are Government aware of the great inconvenience caused to the passengers in changing at Lalamusa and waiting on platforms for the arrival of the next train, and do Government propose to re-start the running of through compartment service, First, Second and Inter class passengers between Lahore and Malakwal? If not, why not?

Mr. P. R. Rau: (a) and (b). Government have no information.

(c) I am forwarding a copy of the question to the Agent, North Western Railway, for consideration. I may add, however, that this is a question which is eminently one for discussion in the Local Advisory Committee of the railway.

CARRYING OUT OF ORDERS REGARDING COMMUNAL REPRESENTATION BY THE NORTH WESTERN RAILWAY ADMINISTRATION.

356. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state if orders regarding communal representation in railway services are being carried out by the North Western Railway Administration?

(b) Will Government be pleased to state whether the following statement about the permanent communal composition of the staff employed

in the Divisional Superintendent's office, Karachi, is correct? If not, what is the correct permanent strength community-wise?

Grade V.				Grade IV.				Grade III.				Grade II.				Grade I.				
Total employees 4.				15				26				42				123				210
Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	
2	..	1	1	14	1	23	3	..	.	33	8	1	..	111	9	1	2	

(c) Is it a fact that there is not a single grade V senior Muslim in the Divisional Office and that there is only one grade IV sub-head?

(d) If the replies to the preceding parts be in the affirmative, what do Government propose to do in the matter?

Mr. P. R. Rau: (a) and (d). Government have no reason to believe that the orders regarding the reservation of 33 per cent posts in initial recruitment for the minority communities for the redress of marked communal inequalities are not being carried out on the North Western Railway.

(b) and (c). Government regret they are unable to verify these figures.

INADEQUATE REPRESENTATION OF MUSLIMS IN THE RAILWAY SUBORDINATE SERVICES IN THE KARACHI DIVISION.

357. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that Muslims are about 80 per cent in Sindh?

(b) Is it a fact that they are not adequately represented in the railway subordinate services, specially in the Karachi Division?

(c) If the reply to the above be in the affirmative, are Government prepared to issue instructions to the Agent, North Western Railway, that a larger number of Sindhi Muslims may be employed in the subordinate services?

(d) Is it Government's policy that the claims of people of the area served by a particular railway should not be overlooked by them?

Mr. P. R. Rau: (a) I understand that according to the last census report the percentage is about 73 per cent.

(b) Government have no information.

(c) and (d). Government have no reason to believe that the claims of this particular community are overlooked by the North Western Railway Administration. They cannot accept the principle that in the appointments in any particular locality through which a railway passes the inhabitants of that locality should have necessarily a preferential claim.

HINDU AND MUSLIM OFFICERS AND SUBORDINATES ON THE KARACHI DIVISION
OF THE NORTH WESTERN RAILWAY.

358. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the number of Hindu and Muslim officers and subordinates on the Karachi Division of the North Western Railway at present?

(b) How many of these officers and subordinates are Sindhi Hindus and Sindhi Muslims?

(c) Is it a fact that most of the posts have been monopolised by Hindu officers' and subordinates' relatives on the Karachi Division? If so, will Government be pleased to furnish a statement showing details of such staff?

(d) If Government are not in a position to give the number of such relations, are they prepared to ask the Agent, North Western Railway, to make enquiries in order to protect the interests of Muslims?

Mr. P. R. Rau: (a), (b) and (c). Government have no information.

(d) I am sending a copy of the question to the Agent, North Western Railway, for his information.

Mr. M. Maswood Ahmad: Will the Honourable Member kindly read this question over again? Certain information has been asked for and he can get it from the D. S.'s office in Sind.

Mr. P. R. Rau: Government are not prepared to obtain this information.

EMPLOYEES IN SUBORDINATE SERVICE ON THE NORTH WESTERN RAILWAY IN
BALUCHISTAN.

359. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the number of employees in subordinate services on the North Western Railway in Baluchistan and the percentage of Muslim Baluchis who form almost the entire population of the province?

(b) How many head clerks are employed in the Divisional Office, North Western Railway, Quetta, and what is the number of Muslim Baluchis who are employed there?

(c) If the representation of Muslim Baluchis is inadequate, what steps do Government propose to take to ensure that a proper representation of Muslim Baluchis is secured?

(d) If a sufficient number of Muslim Baluchis are not forthcoming for subordinate services on the Quetta Division, are Government prepared to take steps to send Muslim officials from other Divisions so as to adjust communal inequalities?

Mr. P. R. Rau: (a) and (b). Government have no information.

(c) and (d). Government consider that a Railway Administration must be taken as a single unit for the purpose of considering the measures necessary in pursuance of their policy of redressing marked communal inequalities and that the position on individual divisions or departments or offices cannot be examined separately.

Mr. M. Maswood Ahmad: Are Government not prepared to call for information in this case as well?

Mr. P. R. Rau: Certainly, Sir.

MUSLIMS IN THE ALL-INDIA MEDICAL COUNCIL.

360. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that the All-India Medical Council has recently been constituted?

(b) If so, will Government please state the percentage of Muslims (i) elected, and (ii) nominated to that Council?

Mr. G. S. Bajpai: (a) Yes.

(b) Of the 27 members three are Muslims,—two nominated and one elected.

EXEMPTION OF CERTAIN PERSONS IN THE RAILWAY CLEARING ACCOUNTS OFFICE FROM PASSING THE APPENDIX D EXAMINATION.

361. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that certain persons working in the Railway Clearing Accounts Office have been exempted from passing the Appendix D examination? If so, what is their number?

(b) Is it also a fact that the persons so exempted are all non-Muslims?

(c) If the answer to part (b) be in the negative, will Government please state the number of Muslims so exempted?

Mr. P. R. Rau: Apart from persons who, under the rules are not required to pass the examination, I understand there was only one person in the Railway Clearing Accounts Office who was exempted from passing the Appendix D examination, and he happens to be a Muslim.

MUSLIM HEAD CLERKS IN THE OFFICE OF THE DIVISIONAL SUPERINTENDENT, NORTH WESTERN RAILWAY, DELHI.

362. ***Mr. M. Maswood Ahmad:** Will Government be pleased to state:

- (a) if it is a fact that in the year 1930 the number of Muslim head clerks in the office of the Divisional Superintendent of the North Western Railway, Delhi Division, was one, *viz.*, that of the Commercial Branch;
- (b) if it is a fact that a deputation of Muslim Members of the Central Legislature waited upon Sir George Rainy in September, 1931, who, among other undertakings held out to the deputationists, undertook to see that the number of Muslim head clerks, etc., is increased;
- (c) if it is a fact that the number of Muslim head clerks in the abovesaid office in the year 1931 increased by one, *viz.*, that of the Copying Branch;
- (d) if it is a fact that this increase of one Muslim head clerk in the aforesaid office was included in the figures, *viz.*, 69, quoted on the floor of this House by Mr. Colvin in his speech when replying to my cut-motion on the 25th February, 1933;
- (e) if it is a fact that the previous head clerk of the Copying Branch—a Hindu gentleman—was in the grade of the head clerk of the Branch, *viz.*, IV (Rs. 160—10—200);
- (f) if it is a fact that the present head clerk of the Copying Branch who happens to be a Muslim was a stenographer in grade III (Rs. 100—5—140) and is now working in the same grade as stenographer and head typist and not in that of the head clerk of the Copying Branch;

- (g) if it is a fact that in the statement showing the strength of the Divisional Office sent by the Divisional Superintendent, Delhi to the Agent, North Western Railway, from time to time under his No. 181-E/O-II, the head clerk of the Copyin Branch is being shown as one in grade IV and who happens to be some Hindu gentleman;
- (h) if the answers to parts (a), (b), (c), (d), (e), (f), and (g) above be in the affirmative, whether it is a fact that the present Muslim head clerk is made to work both as stenographer and head typist without the pay of the post; if not, how Government reconcile the two conflicting replies, *viz.*, to parts (c), (d) and (g) above?

Mr. P. R. Rau: (a), (c), (d), (e), (f), (g) and (h). I have called for information and will place a reply on the table in due course.

(b) The undertaking given was that the Railway Board would ask the Agents to bear in mind the desire of the Railway Board for the employment of an adequate number of Muslims as Office Superintendents, and Head Clerks in making appointments to such posts and the Agents were addressed accordingly.

RESOLUTION NO. 1099 OF 1919 OF THE HOME DEPARTMENT.

363.* { **Pandit Satyendra Nath Sen:** } (a) Is the Honourable the Home
 { **Mr. S. G. Jog:** } Member aware of any such resolution of his department as resolution No. 1099, dated the 8th August, 1919? If so, will he kindly let this House know the contents of that resolution?

(b) Is that resolution still in force, or has it been since rescinded?

The Honourable Sir Harry Haig: (a) Yes, I am aware of the Home Department Resolution No. 1099, dated the 8th August 1919. A copy will be found in the Library of the House.

(b) The Resolution is still in force.

Pandit Satyendra Nath Sen: May I know the substance of this Resolution?

The Honourable Sir Harry Haig: It deals, Sir, with the employment of those persons who rendered service in connection with the Great War.

ENQUIRY INTO ALL CASES OF DISCHARGE BY AN OFFICER DEPUTED BY THE RAILWAY BOARD.

364.* { **Pandit Satyendra Nath Sen:** } Is it the practice or policy of
 { **Mr. S. G. Jog:** } the Railway Board to make special enquiry by deputing an officer in all cases of discharge? If not, in what cases is it done?

Mr. P. R. Rau: The reply is in the negative.

CLOSING OF LEVEL CROSSINGS ON RAILWAY LINES.

365. **Nawab Maharsingji Ishwarsingji:** Are Government aware that once in a year the Railway Companies close for the whole day all level crossings on the railway lines? If so, are Government prepared to amend

the necessary rule or law by closing the level crossings only for an hour or so, with a view to removing the inconvenience and hardship felt by the public?

Mr. P. R. Rau: It is not the practice to close level crossings, over which there is a public right of way, for a whole day once a year. Private railway roads and pathways, which are used to a certain extent by the general public, are closed once a year in order to prevent the accrual of a public right of way in such cases.

BRIDGE OVER THE RIVER NARBADA NEAR BROACH.

366. *Nawab Naharsingji Ishwarsingji: Will Government be pleased to state when the existing bridge over the river Narbada near Broach will be used for the public and vehicular traffic, and what arrangements are made to connect the provincial road at the two ends of the said bridge?

The Honourable Sir Frank Noyce: Presumably the Honourable Member refers to the existing Bombay, Baroda and Central India Railway Bridge over the Narbada, near Broach, which the Bombay Government proposed to purchase for conversion into a road bridge. In this connection I would invite the attention of the Honourable Member to the reply I gave in this House on the 12th September, 1932, to starred question No. 182 on this subject. The Government of India have not heard further in the matter from the Local Government.

FORCED STATION SERVICE TELEGRAPHISTS.

367. *Mr. Sitakanta Mahapatra: (a) With reference to the reply given to question No. 40 (j) of Pandit Satyendra Nath Sen in this House on the 25th February, 1933, will Government please state if it is a fact that a station or a local service telegraphist is transferred to the general service, not by virtue of his merely volunteering for such a transfer, but only after he has proved his fitness by qualifying in the required tests?

(b) Is it also a fact that the forced station service telegraphists volunteered for transfer to general service only when such volunteers were called for from amongst them on two occasions in pursuance of the assurance, referred to in question No. 43 (a) of the 25th February, 1933, given to them?

(c) Is it also a fact that these men were made to go through the required tests on both the occasions and that no exception was made in the case of those who already passed on the first occasion?

(d) Will Government please state why in this particular case outsiders were considered more efficient than men already in service and declared fit on examination?

(e) Is it a fact that outsiders were recruited to the general service after the pledges referred to in the reply to question No. 43 (c) of the 25th February, 1933, given to the institutions, were withdrawn, and that about 50 per cent of the forced station service telegraphists, who passed the required tests, not only once but twice, still remained to be transferred?

(f) If the reply to part (e) above be in the affirmative, will Government please lay on the table a statement showing (i) the total number of outsiders recruited to the general service after the pledges to the institutions

were withdrawn and (ii) the number of forced station service telegraphists awaiting transfer to the general service at the time after passing the required tests?

(g) Is it also a fact that repeated representations to Government from different service organisations as well as from the affected men praying that further recruitment to the general service from outside might be stayed till these men are absorbed were rejected? If so, what were the reasons for doing so?

(h) Is it a fact that about 95 per cent of these forced station service telegraphists happen to be Indians?

(i) Will Government please state, with reference to the replies to questions Nos. 42 (a) and 43 (b) of the 25th February, 1933, whether they are prepared to treat the cases of these men who happened to be Indians as exceptional and transferred to the general service?

Sir Thomas Ryan: (a) and (c). The Honourable Member is referred to the reply given to part (k) of Pandit Satyendra Nath Sen's question cited by him.

(b) Yes.

(d) The Honourable Member's inference that outside recruits were considered more efficient than all men already in service is not warranted as recruitment was made from both sources. His attention is invited to the reply given in this House to Pandit Satyendra Nath Sen's unstarred question No. 41 on the 25th February, 1933.

(e) Yes, but I would point out that there was no assurance of the transfer of these so-called "forced station service telegraphists" to the General Service, nor can any such hope be held out now.

(f), (i) 64.

(ii) approximately 92.

(g) The reply to the first part is in the affirmative. As regards the second part, the Honourable Member is referred to the reply given to part (d) of his question.

(h) Government have no precise information but the fact may be as stated.

(i) Government regret that they are unable to treat the cases of these men as exceptional.

Mr. Lalchand Navalrai: May I know, Sir, if any recruitment is going on in the Department?

Sir Thomas Ryan: I presume, Sir, the Honourable Member refers to the General Service of Telegraphists. No new recruitment is at present being made to that service, and it is doubtful whether there will in future be any further recruitment to it.

Lieut-Colonel Sir Henry Gidney: Does that imply, Sir, that the General Service of the Telegraph Department is being entirely abolished?

Sir Thomas Ryan: What, I think, I said was that it was doubtful whether there would be any further recruitment to the General Service.

Lieut.-Colonel Sir Henry Gidney: Then, Sir, does that imply that that service will cease to exist?

Sir Thomas Ryan: The reply implies not that the service is to be abolished in so far as it affects the people who are already in it, but it does imply a possibility that it may cease to exist according as the existing incumbents retire.

Lieut.-Colonel Sir Henry Gidney: Then, your "Yes" means "No", and "No" means "Yes"?

(No reply.)

CLERICAL CADRES IN THE OFFICE OF THE POSTMASTER GENERAL, BURMA.

368. ***Mr. Sitakanta Mahapatra:** (a) Is it not a fact that upto August, 1931, there were two distinct clerical cadres in the office of the Postmaster General, Burma, *viz.*, (i) the Postal including Telegraph Traffic and (ii) the Engineering, and that promotion to selection grade appointments were strictly confined to the respective time-scale cadres?

(b) Is it not a fact that knowledge of rules of Posts and Telegraphs Manual, Volume X and the Initial Account Code, Volume II, which are included in the syllabus of the Lower Selection Grade examination of the Engineering Branch only is essential for Head Clerks of the Telephone Revenue Accounting offices for discharging their duties efficiently?

(c) Will Government please state if any Lower Selection Grade clerks of the Engineering Branches were specially trained at Government expense for Telephone Revenue Accounting work of the circle offices?

(d) If the replies to parts (b) and (c) be in the affirmative, do Government consider such specially trained Lower Selection Grade clerks of the Engineering Branch better qualified and more suitable for the new posts sanctioned for circle offices in connection with Telephone Revenue Accounting work?

(e) Is it not a fact that in reply to part (c) of the unstarred question No. 144, dated the 30th September, 1932, of Mr. Nabakumar Sing Dudhuria, it was stated that Telephone Revenue Accounting offices when decentralised and attached to circle offices were considered as forming part of the Engineering Branch of the circle offices up to August, 1931?

(f) If the replies to parts (a), (d) and (e) be in the affirmative, is it not within the meaning of the reply referred in part (e) above that appointments of Head Clerks of Telephone Revenue Accounting branches of circle offices should have gone to the Lower Selection Grade of clerks of the Engineering Branch up to August, 1931?

(g) If the reply to part (f) be in the affirmative, do Government propose to rectify the injustice that might have been caused to the legitimate aspirants in making appointments of Head Clerks of Telephone Revenue Accounting Branches of circle offices?

Sir Thomas Ryan: (a) As regards the first part, the fact is that the Postmaster-General's office had only one clerical cadre which however did not include the Engineering Branch clerks employed in that office who belonged to the Engineering Circle clerical cadre, and that promotion to lower selection grade appointments in either of these two cadres was confined to the time-scale clerks in the cadre concerned.

(b) There were no posts of head clerks in the Telephone Revenue Accounting Offices and the examination referred to by the Honourable Member was not applicable to those Offices and it does not exist at present.

(c) Government are not aware of any such case.

(d) Does not arise in view of the reply given to parts (b) and (c).

(e) Yes, but the new Lower Grade Selection posts sanctioned for the Telephone Revenue Accounting work in Circle Offices were not treated as open to Engineering Branch clerks only.

(f) No. The Honourable Member is referred to the reply given to part (g) of the question cited in part (e) of his question.

(g) Does not arise.

RECRUITMENT OF ENGINEERING SUPERVISORS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

369. ***Mr. Sitakanta Mahapatra:** Will Government please refer to parts (c) and (d) of the reply given to question No. 979 on the 10th September, 1933, by Bhai Parma Nand, and state if they are prepared to give departmental candidates in the first batch seniority over outsiders, as was done in the case of the second batch? If not, will Government please state the circumstances which led them to make such a distinction?

Sir Thomas Ryan: The reply to the first part is in the negative. As regards the second part the seniority of the first group of the Engineering Supervisors was determined according to the rules applicable to their recruitment which did not provide for any preferential treatment for the departmental candidates in respect of seniority. These rules were subsequently revised so as to give preference to departmental candidates but it is not proposed to extend this concession retrospectively to men who offered themselves for examination when a different rule was in force.

DECLARATION OF CERTAIN FESTIVAL DAYS AS TELEGRAPH HOLIDAYS.

370. ***Mr. Sitakanta Mahapatra:** (a) Has the attention of Government been drawn to the remarks made on page No. 497 of the *Telegraph Review* of November, 1933, on public holidays and telegraph holidays?

(b) Are Government prepared to declare the Id, Janmashtami, Muharram and similar other festival days as telegraph holidays like Christmas, New Year's Days, etc.? If not, why not?

The Honourable Sir Frank Noyce: (a) Government have seen the article referred to.

(b) No. Government do not propose to increase the number of telegraph holidays since to do so would result in a serious dislocation of public business. In this connection the attention of the Honourable Member is invited to the reply given by the Honourable Sir Bhupendra Nath Mitra to Mr. M. S. Sessa Ayyangar's starred question No. 681 in this House on the 23rd September, 1929.

Maulvi Muhammad Shafee Daoodi: Are Government aware that Muslims are enjoined to offer prayer in congregation at a particular time of the day on the two Id days and, therefore, they cannot be asked to be at their post at that moment?

The Honourable Sir Frank Noyce: I understand that certain concessions in this matter have been given.

Maulvi Muhammad Shafee Daoodi: But no concession except leave for the time when the prayer is offered in congregation on those two Id days could be satisfactory.

The Honourable Sir Frank Noyce: I am prepared to review the existing concessions.

INSOLVENT GAZETTED OFFICERS IN THE TELEGRAPH BRANCH OF THE POSTS AND TELEGRAPHS DEPARTMENT.

371. ***Mr. Sitakanta Mahapatra:** (a) With reference to the reply given to question No. 846 of the late Mr. B. N. Misra on the 12th September, 1933, will Government please state the number of insolvents in the gazetted ranks of the Telegraph Branch of the Posts and Telegraphs Department who hold charge of offices?

(b) Has any complaint been made to Government during the period from 1928 to 1933 for exactions of money from the subordinate staff of the Telegraph Service by any gazetted officer in charge of offices?

(c) Is it a fact that the Postmaster General, Bengal and Assam Circle, received a complaint in 1932-33 that the cash of a telegraph office was made good by a private crossed check after defalcation by the officer in charge?

(d) Do Government propose to inquire into the conduct of the gazetted insolvent servants to see the advisability of retaining them in the Public Service any more?

(e) Is it a fact that all insolvents in the Subordinate Telegraph Service were discharged during 1932-33 as undesirables?

Sir Thomas Ryan: (a) Two.

(b) No.

(c) No.

(d) No. It is for the competent local authorities to take necessary action in regard to rule 16 (3) of the Government Servants' Conduct Rules, and Government do not themselves propose to undertake any such inquiries.

(e) No.

Mr. Lalchand Navalrai: There is no rule that an adjudicated insolvent should not be kept in service?

Sir Thomas Ryan: There is no absolute rule. There are rules relating to the treatment of insolvents, but they allow some discretion to the authorities concerned according to the facts of each particular case.

Mr. Lalchand Navalrai: May I know if that discretion has been used at any time by the officers in discharging those men that were adjudicated insolvents?

Sir Thomas Ryan: I am not quite sure if I followed the question. I think it was whether this discretion has in fact been acted upon in any case. If so, it has been acted on in several cases.

RECOVERY OF OVERPAYMENT MADE TO GOVERNMENT SERVANTS.

372. ***Rai Bahadur Lala Brij Kishore:** (a) Is it not a fact that Government have the right to recover overpayment made to their employees at any time, irrespective of the length of the intervening period counted from the date of the overpayment?

(b) If the answer to part (a) be in the negative, what is the time limit, and whether the same term of limitation is applicable to the employees?

The Honourable Sir Frank Noyce: (a) and (b). Subject to the operation of the law of limitation in the case of recovery of an overpayment from a former employee who has ceased to occupy a position enabling Government to effect recovery otherwise than by civil suit, Government regard themselves as being free to deal with individual cases on their merits irrespective of any time limit.

FIXATION OF THE PAY OF TELEGRAPHISTS.

373. ***Rai Bahadur Lala Brij Kishore:** (a) Is it a fact that since the introduction of the Fundamental Rules in 1922, the pay of many telegraphists has been fixed according to some obsolete rules by office heads in the Posts and Telegraphs Department?

(b) Is it not a fact that when such grievances have been represented, the Director General has regretted his inability to do anything at a distant date, but issued a Circular letter in 1929 to all Postmasters-General, inviting their attention to the irregularities?

(c) If the answer to part (a) be in the affirmative, are Government prepared to see that their orders are carried out from the time they were introduced? If not, why not?

(d) If the answers to parts (a) and (b) be in the negative, will Government please lay on the table a statement showing, Circle by Circle, the number of cases represented to the Director-General on the subject of non-compliance of the Fundamental Rules since 1922 to the first week of December, 1933, in the Posts and Telegraphs Department?

Sir Thomas Ryan: Enquiries are being made and information will be laid on the table in due course.

REPORT OF THE VARMA COMMITTEE.

374 ***Rai Bahadur Lala Brij Kishore:** (a) With reference to starred question No 844, dated the 12th September, 1933, by the late Mr. B. N. Misra, are Government now in a position to reply to it?

(b) If the answer to part (a) be in the negative, will Government please state how they propose discussion of the Varma Committee report with the representatives of the service organisations in the absence of the important information?

Sir Thomas Ryan: (a) The reply to parts (a) and (b) of the late Mr. B. N. Misra's question is that Government have seen the part of the questionnaire alluded to in it which deals with a detail in the working arrangements in a telegraph office; and that the Committee presided over by Mr. Varma did not find it necessary to make a recommendation on the subject. As regards parts (c) and (d) of that question Government are not in a position to comply with the late Mr. Misra's request.

(b) The recommendations of the Committee have been the subject of very full discussion by myself with representatives of the service associations concerned, and the difficulty anticipated by the Honourable Member was not experienced.

HANDLING OF THE TELEGRAPH AND TELEPHONE TRAFFIC.

375. *Rai Bahadur Lala Brij Kishore: (a) Is it a fact that Government have under consideration a proposal to place the handling of the telegraph and telephone traffic of the country under the Traffic Branch of the Posts and Telegraphs Department, and to entrust the Engineering Branch of the Department, like Public Works Department, with the maintenance work only?

(b) If the answer to part (a) be in the affirmative, will Government please state the reasons?

(c) Will Government please state the existing methods of computations of engineering expenses between the telegraph traffic and telephone?

Sir Thomas Ryan: (a) No such proposal is under the consideration of Government.

(b) Does not arise.

(c) It is presumed the Honourable Member desires to know the method of distributing engineering expenses between Telegraphs and Telephones. If so, his attention is invited to the footnotes numbered (e), (g), (h), (i) and (j) on pages 6 to 9 of the Detailed Statements in support of the Demands for Grants for 1934-35.

COLLECTION OF OPINIONS ON THE TEMPLE ENTRY BILL THROUGH THE POLICE AT KARACHI.

376. *Mr. Lalchand Navalrai: (a) Is it a fact that Government are obtaining opinions of Hindu citizens on the Temple Entry Bill through the police? If so, why?

(b) Has the attention of Government been drawn to a contribution in the *Sind Observer* of the 20th February, 1934, giving instances of this procedure of obtaining public opinions?

(c) Will Government be pleased to state who were the police officers doing so at Karachi, and under what authority?

The Honourable Sir Harry Haig: I am making enquiries in the matter and will lay a statement on the table in due course.

ARTICLE IN THE AMRITA BAZAR PATRIKA UNDER THE CAPTION "IS WAR IMMINENT? STIR AMONG THE MILITARY PENSIONERS".

377. *Mr. Lalchand Navalrai: (a) Has the attention of Government been drawn to a letter alleged to be in Roman, dated the 3rd January, 1934, published in the *Amrita Bazar Patrika*, and referred to in the *Sind Observer* of the 20th February, 1934, under the caption "Is War imminent? Stir among the Military Pensioners"?

(b) Will Government be pleased to make a full statement in regard thereto?

Mr. G. R. F. Tottenham: (a) Yes.

(b) For some eight years there has existed a scheme for the formation on mobilisation of Indian Garrison and Duty Companies consisting of *ex-Indian* officers and *ex-soldiers* to set free regular troops for active service. The scheme provides for the ear-marking in peace of personnel for these units and it is expressly laid down in the orders that men volunteering for this employment will not be employed or paid until mobilization is ordered. .

The reports in the Press appear to be based on a total misapprehension of a portion of a letter explaining the details of the scheme to *ex-soldiers* and asking for volunteers.

Mr. Lalchand Navalrai: Does the Honourable Member's reply then come to this that there is no likelihood of any war being imminent?

Mr. G. R. F. Tottenham: I hope not.

ALLOTMENT OF PLOTS IN NEW DELHI TO THE MINISTERIAL STAFF OF THE IMPERIAL SECRETARIAT AND ITS ATTACHED OFFICES.

378. *Mr. M. Maswood Ahmad: (a) Is it a fact that a separate area of land in New Delhi is reserved for allotment to the ministerial staff of the Imperial Secretariat and its Attached Offices? If so, what proportion does it bear to the total area of land in New Delhi? If not, why not?

(b) Will Government be pleased to state which Department deals with this allotment of plots, who is the final authority, and what is the procedure for this?

(c) How are the plots allotted, *i.e.*, whether on direct lease or by auction? If the latter, why?

(d) When plots are available for allotment, are the clerks informed about it and applications invited? If not, why not?

(e) Will Government be pleased to state how many plots have been so far allotted to clerks and how many are available at present?

(f) How many applicants are on the waiting list and for how long a period?

(g) If the replies to any of the preceding parts be in the negative, will Government be pleased to state why the allotment of plots of land to the desiring and deserving ministerial staff of the Imperial Secretariat and Attached Offices has not so far been considered necessary, and the action they propose to take now? If no action is proposed, why?

Mr. G. S. Bajpai: I have made certain enquiries and a reply will be laid on the table of the House in due course.

CLERKS' QUARTERS IN NEW DELHI.

379. *Mr. M. Maswood Ahmad: (a) Will Government be pleased to state if the statement below is correct?

Statement showing the number of orthodox and unorthodox clerks' quarters (existing and under construction) in New Delhi.

Type.	Existing.						Under construction.					
	Classes.						Classes.					Total.
	A	B	C	D	E	Sing.	A	B	C	D	E	
Orthodox . .	18	70	238	970	118	104	3	27	90	272	150	2,060
Unorthodox . .	55	62	66	50	...	72	...	33	30	22	..	390
	73	132	304	1,020	118	176	3	60	120	294	150	2,450

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state if the quarters now under construction are expected to be ready for allotment before the next Simla-Delhi move of the Imperial Secretariat?

(c) If the reply to part (b) above be in the negative, will Government be pleased to state in how many months the quarters are likely to be ready for allotment?

(d) Will Government be pleased to state whether any clerk of the Secretariat or Attached Offices will remain unprovided with quarters after completion of the quarters now under construction? If so, how many of the migratory staff and how many of the non-migratory staff will remain unprovided?

The Honourable Sir Frank Noyce: (a) The statement is correct except that the number of the existing "A" class unorthodox clerks' quarters is 32 and not 55, and that there are in existence 2 "B" class unorthodox quarters which have been handed over to the New Delhi Club.

(b) Yes.

(c) Does not arise.

(d) The answer to the first part of the question is in the affirmative. Of the total number of applicants for quarters, 2,518 in all, the number for whom accommodation in quarters other than single quarters, applications for which are not due until July next, cannot be provided is 304 or approximately 12 per cent. As allotments have not yet been made, it is not possible to give separate figures for migratory and non-migratory staff.

MINISTERIAL STAFF ENTITLED TO GOVERNMENT QUARTERS IN NEW DELHI.

380. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether the statement, showing the total number of ministerial staff (including Gazetted Superintendents in the Secretariat) in various Departments and Offices in New Delhi on the 1st January, 1934, who are entitled to Public Works Department quarters in the New Delhi area only, sent to the Department of Industries and Labour, is correct?

(b) If the reply to part (a) above be in the negative, will Government be pleased to furnish a correct statement? If not, why not?

(c) What is the total number of (i) ministerial staff in the Indian Stores Department, (ii) Accountants, Stenographers and clerks in the Auditor General's Office, (iii) ministerial staff in the Central Public Works Department, that is, in the various offices under the Chief Engineer, Public Works Department, and (iv) clerks and draftsmen in the Land and Development Office?

(d) Is it a fact that more than five per cent of the staff shown in the statement referred to in part (a) above have got their own houses in New Delhi, Delhi, Paharganj and Karol Bagh? If not, will Government be pleased to furnish the correct percentage of such employees?

(e) Will it be possible for Government to provide Public Works Department quarters in New Delhi to the staff of the various Departments and Offices shown in the statement referred to in part (a) above when the quarters now under construction are ready for occupation? If not, how many clerks of the Secretariat and Attached Offices will remain unprovided, and in what shape do Government propose to redress the long standing grievances of those who cannot be provided with quarters?

The Honourable Sir Frank Noyce: (a)—(d). The information is not readily available and Government do not propose to collect it, as the result would not justify the labour involved.

(e) When the quarters now under construction are ready, it should be possible to accommodate well over 80 per cent. of the clerks in the Secretariat and Attached Offices. Government consider that it would be unsafe to enlarge the building programme at present, as it is necessary to allow a substantial margin for those who prefer to make their own arrangements.

PARKS ADJACENT TO THE IMPERIAL SECRETARIAT BUILDINGS.

381. ***Mr. M. Maswood Ahmad:** Will Government be pleased to refer to reply to starred question No. 839, dated the 18th March, 1932, and state:

(a) whether the parks adjacent to the Imperial Secretariat Buildings are being or have ever been maintained after the move of the Secretariat to Simla, if so, how many seasonal plants are actually left in each plot of the same after the first or second week of May each year; if none, why and in what shape the parks are said to have been maintained throughout the year; and

(b) what objection Government have to ordering the maintenance of the fountains and parks during the summer months?

The Honourable Sir Frank Noyce: (a) The Parks in question are maintained in the same manner in summer as they are in winter except that—

(i) in the winter annuals are planted (these do not thrive in the summer), and

(ii) the grass on the outer plots is allowed to grow during the monsoon owing to the prohibitive cost of mowing when growth is extremely rapid, and the weather and the state of the ground make mowing difficult.

(b) The difference in maintenance between winter and summer is not great, and is mainly regulated by weather conditions. The fountains are not used during the summer partly on account of the cost involved and partly because of the difficulty of keeping water in the basins and channels free from mosquitoes.

PERSONS CONFIRMED IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

382. *Mr. M. Maswood Ahmad: Will Government be pleased to state the total number of men confirmed in the Railway Clearing Accounts Office during 1933, and the number of vacancies reserved for redressing marked communal differences?

Mr. P. R. Rau: 12 temporary men were confirmed during 1933 of whom four belonged to minority communities.

COMMUNAL COMPOSITION OF MEN APPOINTED IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

383. *Mr. M. Maswood Ahmad: Will Government be pleased to state:

- (a) the total number of men appointed (i) to clear up the arrears, and (ii) against emergency grant, in the Railway Clearing Accounts Office, and the communal composition of the men so recruited; and
- (b) the procedure adopted by the Railway Clearing Accounts Office in the matter of recruitment? How are the applications of candidates disposed of and by whom?

Mr. P. R. Rau: (a) 48 men were appointed temporarily in the Railway Clearing Accounts Office during 1933-34, of whom 41 were appointed in order to collect statistics regarding rail-borne trade for the Director General of Commercial Intelligence, and 7 were against the emergency grant. Of these 15 belong to minority communities.

(b) Recruitment is at present ordinarily made only from the waiting list of discharged clerks. Where outsiders are appointed the selection is made by the Director personally from among applications received in his office. The question of prescribing a competitive examination for fresh recruitments to be held locally by each Accounts Office is at present under consideration.

Mr. M. Maswood Ahmad: Are these posts advertised in newspapers before they are filled?

Mr. P. R. Rau: I am not sure of that, but probably not.

Mr. M. Maswood Ahmad: Will Government be pleased to state how the candidates will know about these vacancies if they are not advertised?

Mr. P. R. Rau: I believe, Sir, that there are a number of applications already with the Director from among which he can make selections.

Mr. M. Maswood Ahmad: May I take it that registers are kept, and that any one who desire some post may apply years in advance?

Mr. P. R. Rau: I suppose so, but I have no precise knowledge of what exactly happens in this connection.

Mr. M. Maswood Ahmad: Will Government be pleased to make enquiries into this matter and inform the House in due course?

Mr. P. R. Rau: As I have said before, we are already considering the question of having a competitive examination for recruitment. (Hear, hear.)

NON-MATRICULATE CLERKS EMPLOYED IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

384. **Mr. M. Maswood Ahmad:** Is it a fact that there are over 400 non-matriculいたes employed as clerks in the Railway Clearing Accounts Office?

Mr. P. R. Rau: Yes.

Mr. M. Maswood Ahmad: Will Government be pleased to say how many of them are Muslims?

Mr. P. R. Rau: I should like to have notice of that question.

Mr. Gaya Prasad Singh: Do Government see the necessity of introducing this competitive system in other branches also?

Mr. P. R. Rau: It is the same office.

REFUSAL OF MEDICAL AID TO RAILWAY EMPLOYEES.

385. **Mr. M. Maswood Ahmad:** (a) Are Government aware of the fact that on Train Examiner, Mr. Nur Mohammad, was posted at Rajpura on the North Western Railway in 1930, and that his wife was attacked by a very serious disease and no medical assistance was offered to him in spite of several telegraphic calls?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the reasons for maintaining such an expensive Medical Department on State Railways when the employees are refused medical aid in time of need?

Mr. P. R. Rau: (a) Government have no information, but understand that the ordinary practice is that when staff at roadside stations need medical assistance they inform the Assistant Surgeon in charge of the area who attends to them as soon as practicable.

(b) The reasons are sufficiently obvious

MEDICAL ARRANGEMENTS FOR THE MENIAL AND SUBORDINATE STAFF ON STATE RAILWAYS.

386. **Mr. M. Maswood Ahmad:** Is it a fact that no detailed instructions, like those in force in Civil Departments, have been issued for medical arrangements for the menial and subordinate staff on the Indian State

Railways and that no penalties have been imposed for careless and negligent attendance?

Mr. P. R. Rau: The Railway Board have issued no detailed instructions on the subject, but I shall ascertain whether any instructions have been laid down by Railway Administrations.

PROMOTIONS IN THE OFFICE OF THE RAILWAY BOARD.

387. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the manner in which promotions from third to second and from second to first divisions are made in the office of the Railway Board?

(b) Does it depend on the will of the Branch Superintendent to ask for any particular clerk, or are such clerks sent for according to seniority?

(c) How are branch vacancies filled?

(d) Is it a fact that Muslim clerks are invariably sent for by branches? If so, why?

Mr. P. R. Rau: (a) and (c). All permanent promotions are made from a general list of the office staff as a whole and not within the Branches. The promotions are based on seniority combined with efficiency. Promotions to short term officiating vacancies are made within the Branches.

(b) As I have already said promotions are based on seniority combined with efficiency.

(d) I regret I have been unable to understand what my Honourable friend means.

AMENDMENT OF SECTION 9 OF THE INDIAN INCOME-TAX ACT.

388. ***Seth Haji Abdoolah Haroon:** Will Government be pleased to state if their attention has been drawn to the following rulings of High Courts, and if their reply be in the affirmative, will they kindly state whether it is proposed to amend section 9 of the Indian Income-tax Act:

- (i) Chune Mal Salig Ram of Delhi *versus* Commissioner of Income-tax, Punjab and North-West Frontier Provinces (A. I. R. Lahore 1931, page 320, June issue),
- (ii) Maharajadhiraja of Darbhanga *versus* Commissioner of Income-tax, Bihar and Orissa (A. I. R. Patna 1931, page 223, July 1931 issue);
- (iii) In the matter of Krishna Lal Seal, A. I. R., Calcutta 1932, page 886;
- (iv) Commissioner of Income-tax Madras *versus* Narain Devi; and
- (v) Commissioner of Income-tax, Bombay Presidency, *versus* Khemchand Ramadas, A. I. R. Sind 1933, page 148?

The Honourable Sir George Schuster: The Government of India have had their attention drawn to the rulings mentioned except the fourth which cannot be traced. They have no present intention of undertaking legislation for the amendment of section 9 of the Indian Income-tax Act.

AMENDMENT OF SECTION 9 OF THE INDIAN INCOME-TAX ACT.

389. ***Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state whether they have received any suggestions or representations for the amendment of section 9 of the Indian Income-tax Act in regard to the extent and kinds of allowances permissible as deductions from the annual letting value, and, if so, when do Government propose to take up and deal with this long standing grievance of the landlords?

(b) Is it a fact that the landlords are permitted an allowance of one-sixth or 16.66 per cent from the annual letting value of properties, on account of property taxes and repairs?

(c) Are Government aware that at Karachi only municipal property taxes amount to 14 per cent gross or 12.60 per cent net, leaving a balance allowance of 4.06 per cent or in some cases less to be appropriated towards repairs?

(d) Are Government aware that the maximum 4.06 per cent allowance towards repairs is not adequate, and, if so, do Government propose to raise the allowance to at least 20 per cent?

(e) Will Government be pleased to state what is the percentage of property taxes charged to Bombay landlords, and what total allowance they are permitted on account of property taxes and repairs combined?

The Honourable Sir George Schuster: (a) The Government of India have received certain suggestions of the nature described. They have no present intention of undertaking legislation for the amendment of the section.

(b), (c) and (d). I would invite the Honourable Member's attention to my reply to his question No. 558 (starred) which was answered on the 29th February, 1932.

(e) As a reference to the answer referred to in my reply to the preceding three parts of this question will disclose, part (e) of the question has been asked under a misconception, and it is therefore not necessary to ascertain what is the incidence of property taxes in Bombay.

AMENDMENT OF SECTION 9 OF THE INDIAN INCOME-TAX ACT.

390. ***Seth Haji Abdoola Haroon:** Will Government be pleased to state if their attention has been drawn to the ruling of the Lahore High Court in the case of Hashnak Mal Thakur Das *versus* Commissioner of Income-tax, Punjab, Delhi and North-West Frontier Provinces, Lahore (A. I. R. September, 1933, page 822), and if it is contemplated to amend section 9 of the Indian Income-tax Act, 1922, with a view to making the law clear?

The Honourable Sir George Schuster: The answer to the first part of the question is in the affirmative. The decision quoted did not contain any ruling upon the interpretation of the law and therefore its consideration cannot lead to any proposal to amend the law.

POSTS OF YARD SUPERVISORS, YARD FOREMEN, ASSISTANT YARD MASTERS AND YARD INSPECTORS ON THE EAST INDIAN RAILWAY.

391. ***Rai Bahadur Lala Brij Kishore:** (a) What is the difference between the posts of Yard Supervisors, Yard Foreman, Assistant Yard Master and Yard Inspectors on the East Indian Railway?

(b) What qualifications are necessary for an employee to enable him to be promoted to each of the above categories?

(c) How many posts in each of the above categories exist on each Division of the East Indian Railway and what is the grade of pay of each category?

(d) How many posts in each category are held by (i) Europeans, (ii) Anglo-Indians, (iii) Hindus and (iv) Muslims?

(e) What facilities are provided to the staff of the undermentioned categories to fill up the posts in the categories mentioned in part (a):

(i) Guards, (ii) Indian Assistant Station Masters and (iii) Head Numbertakers?

(f) Is there any objection to head number-takers filling up posts in any of the above categories? If so, what?

(g) Are some higher qualifications or training considered necessary, and, if so, why cannot facilities for the same be provided through the training schools and practical work in the Yard?

Mr. P. R. Rau: (a), (b), (e), (f) and (g). I am making enquiries and shall lay a reply on the table in due course.

(c) and (d). The latest information available with Government will be found on page 94 of Volume 3 of Mr. Hassan's report on the representation of Muslims and other minority communities in the subordinate Railway services, a copy of which is already in the Library of the House.

DISABILITIES EXISTING AGAINST THE OLD OUDH AND ROHILKUND RAILWAY EMPLOYEES.

392. *Rai Bahadur Lala Brij Kishore: With reference to their reply on the 6th February, 1934, to my starred question No. 100, do Government propose to consider the advisability of removing any disabilities that may exist against the old Oudh and Rohilkund Railway employees in view of the fact that both the old Oudh and Rohilkund Railway and the old East Indian Railway staff are now serving under one administration?

Mr. P. R. Rau: Government are not aware that there are any special disabilities under which the old O. & R. Railway employees are suffering which calls for their intervention.

GRANT OF LEAVE WITHOUT PAY TO THE EAST INDIAN RAILWAY NON-WORKSHOP STAFF.

393. *Rai Bahadur Lala Brij Kishore: With reference to their reply on the 6th February to my starred question No. 101, relating to the grant of leave without pay to the East Indian Railway non-workshop staff, do Government propose to consider the feasibility of offering another option to the staff concerned to come under the new leave rules and of setting up an adequate machinery to explain the advantages of the new leave rules, to the employees concerned, and obtaining the consent of each individual employee to the effect whether he desires to come under the new leave rules or to remain under the old rules?

Mr. P. R. Rau: Government do not consider there is any necessity for taking the action suggested.

PROVISION OF MOTOR BUS SERVICE FOR THE CHILDREN OF THE RAILWAY EMPLOYEES.

394. *Rai Bahadur Lala Brij Kishore: Are Government prepared to consider the feasibility of providing a motor bus service from the "staff benefit fund" for the benefit of the children of the railway employees in cases where big railway colonies are situated at a distance of over a mile from the school centres in the city, to enable the children of railway employees to receive proper education?

Mr. P. R. Rau: Under the rules governing the Staff Benefit Fund on the State-managed Railways, expenditure from the Fund is authorised by a Committee consisting of an officer nominated by the Agent and five members, all railway employees, one nominated by the Agent and four elected by the staff. Government are not in a position to interfere.

AGE LIMIT FOR APPEARING AT THE COMPETITIVE EXAMINATION FOR INDIAN CIVIL SERVICE IN INDIA AND IN ENGLAND.

395. *Mr. Lalchand Navalrai: (a) Will Government be pleased to state what is the age limit for appearing at the competitive examination for Indian Civil Service in India and in England, respectively?

(b) If it is 28 years in India and 24 years in England, will Government be pleased to state the reason for this discrimination?

(c) Do Government propose to fix the same age limit in both places? If not, why not?

The Honourable Sir Harry Haig: (a) A candidate for the examination in London must have attained the age of 21 and must not have attained the age of 24 on the 1st of August of the year in which the examination is held. A candidate for the Delhi examination must have attained the age of 21 and must not have attained the age of 28 on the 1st of January in the year in which the examination is held. The difference in the upper age limit is thus five months.

(b) and (c). The age limits for the two examinations are fixed with reference to conditions prevailing in the United Kingdom and India, respectively. An increase in the age limit in India would, with the two years' period of probation for candidates recruited in India, involve candidates recruited in India entering the service at an appreciably higher age than those recruited in London.

TENDERS FOR CONVEYANCE OF MAILS BY KONKAN FERRY STEAMERS.

396. *Mr. S. C. Mitra: Will Government be pleased to state:

(a) whether fresh tenders are being invited shortly for the conveyance of mails by Konkan Ferry steamers, if not, the date when the present contract expires;

(b) if the reply to part (a) be in the affirmative, whether the present contractors, *viz.*, the Bombay Steam Navigation Company, have persistently refused to agree to touch Dabhol and Jaygad harbours by their Vizaydurg line steamer compulsorily on their return journey to Bombay;

- (c) whether the passengers from Ratnagiri to Dabhol have now to proceed to Harnai, wait there for over 18 hours and then take a return trip to Dabhol;
- (d) whether they are aware that as a result of the refusal referred to above, the mails for all places between Harnai and Ratnagiri from and to all parts have to suffer heavy detention, take a circuitous route and thus cause avoidable annoyance and inconvenience; and
- (e) whether in accepting tenders hereafter Government propose to make it obligatory on the contracting Company to touch the mail steamer at Dabhol and Jaygad harbours in both directions?

Sir Thomas Ryan: (a) to (e). Information is being collected and will be placed on the table in due course.

TENDERS FOR THE TREASURY WORK OF THE POST OFFICES IN BOMBAY, POONA AND AHMEDABAD.

397. ***Mr. S. C. Mitra:** Will Government be pleased to state whether it is a fact:

- (a) that tenders have been invited for the treasury work of the Post Offices in Bombay, Poona and Ahmedabad;
- (b) that on previous occasions certain items were not included, and that as a result the Department had to pay additional sums to the contractor;
- (c) that instructions have been issued to the authorities concerned that in accepting tenders the cost of doing the treasury work by departmental officials on lower salary that is being introduced by Government should be taken into consideration;
- (d) that if the savings are not large enough, the work would be managed by the Department itself;
- (e) that Government pay the contractor Rs. 61 per stamp-vendor and that the contractor in his turn pays only Rs. 30 per mensem as pay to each of his employees;
- (f) that the pay of the departmental stamp-vendor before the revision was Rs 35—1—55;
- (g) that it would have been equally economical if the work was conducted by departmental officials; and
- (h) that instructions have been issued to bear in mind more prominently the interest of the Department worked by its own men instead of the interest of the contractor?

Sir Thomas Ryan: (a) to (h). Information is being collected and will be placed on the table in due course.

UNSTARRED QUESTIONS AND ANSWERS.

SERVICE TELEGRAMS.

136. **Mr. S. C. Mitra:** (a) Will Government be pleased to state whether a service telegram issued as directed under rule 144 of the Posts and Telegraphs Manual Volume V. is a "necessary" one?

(b) If so, will the cost of the said telegram, recovered on account of the irregularity which caused the issue of such a "necessary" telegram, be not ordered to be noted in the Punishment Register in the Post Office and Railway Mail Service?

(c) Will Government be pleased to state whether similarly the cost of service messages, recovered from a telegraphist for an error in the local number on a line, is not noted in the Punishment Register?

Sir Thomas Ryan: (a) Ordinarily a service telegram of the kind referred to by the Honourable Member would be regarded as a necessary one if issued in compliance with the rule mentioned.

(b) and (c). The circumstances giving rise to the issue of such telegrams may not necessitate such action as the Honourable Member suggests. Individual cases are dealt with on their merits.

SERVICE TELEGRAMS.

137. **Mr. S. C. Mitra:** Will Government be pleased to inform this House of the definition of an "unnecessary" and a "necessary" service telegram, as laid down by the Director General of Posts and Telegraphs?

Sir Thomas Ryan: The meaning of the words 'necessary' and 'unnecessary' have not been defined by me. They are commonly used in their ordinary sense as explained in the dictionary.

RESIDENTIAL ACCOMMODATION FOR POSTAL OFFICIALS STATIONED AT OOTACAMUND.

138. **Mr. S. C. Mitra:** (a) Is it not the policy of Government to provide residential accommodation for their servants at places where no residential accommodation is available at a reasonable rent?

(b) Are Government aware that Ootacamund is a hill station, commonly known as the "Queen of the Hill Stations", situated about 8,000 feet above sea level, is the seat of the Madras Government for seven months in a year, and is the summer residence of a good many princes, ruling chiefs, gentry, officials and non-officials, European and Indian, and that no residential accommodation for postal clerks is available there at a reasonable rent?

(c) Are Government also aware that the Government of Madras have provided residential accommodation for almost all the Government servants under their administrative control at Ootacamund (Nilgiris) at reasonable rents?

(d) Are Government also aware that postal officials at Ootacamund (Nilgiris) experience great difficulty for residential accommodation and each of them is housed in insanitary or unsuitable quarters, and that they invariably pay exorbitant and unreasonable rates of rent? If not, are Government prepared to ascertain and satisfy themselves whether this is not the case?

(e) Were the grievances of the postal officials stationed at Ootacamund regarding lack of suitable residential accommodation brought to the notice of Government on several occasions? If so, is it a fact that each time this question was shelved on the plea of finance?

(f) If the answers to the preceding parts be in the affirmative, are Government now prepared to consider the question of securing suitable residential accommodation for the postal staff at Ootacamund, as they have done at Delhi, Simla and other places? If not, why not, and when do Government hope to redress this grievance?

The Honourable Sir Frank Noyce: (a) Although the absence of suitable accommodation at a reasonable rent is one of the factors taken into consideration by Government when considering the provision of residential accommodation for their servants, it is not a fact that it is the policy of Government to provide such accommodation in all such cases.

(b) The reply to the first part is in the affirmative. As regards the second part, so far as Government are aware residential accommodation for postal clerks is available although rents are admittedly high.

(c) Yes, for a certain number of Local Government servants only.

(d) Government are aware that the postal staff at Ootacamund experience a certain amount of difficulty in finding residential accommodation in the immediate neighbourhood of the Post Office and that rents are high, but have no information as to the suitability of the quarters actually occupied by the staff, nor do they propose to make any special enquiries in this matter.

(e) A representation on the subject was last received by the Director General from the All-India Postal and Railway Mail Service Union in December, 1932, but it was not possible to comply with its request for the construction of quarters on account of the unsatisfactory state of the finances in the Posts and Telegraphs Department.

(f) The case of the Government staff at New Delhi and Simla is exceptional. Government do not consider that the position in regard to the housing of the postal staff at Ootacamund is such as would justify the formulation of any scheme for the construction of quarters in present financial conditions. The postal staff at Ootacamund draw compensatory allowances at specified rates.

COMPENSATORY ALLOWANCE TO THE POSTAL OFFICIALS EMPLOYED IN THE NILGIRIS.

139. Mr. S. G. Mitra: (a) Are Government aware that Government servants under the Local Government stationed at Ootacamund and other places in the Nilgiris are not only provided with suitable residential accommodation at reasonable rents, but are also granted compensatory allowance far in excess of that granted to postal officials employed in such places?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether it is a fact that the question of granting compensatory allowance to the postal officials employed in the Nilgiris at the same rates, as the Local Government have prescribed for their servants stationed in the said locality, is pending before them for over half a dozen years?

(c) Are Government prepared to consider the grant of the same rates of compensatory allowance or special pay to postal officials employed in the Nilgiris as are granted by the Local Government to their servants in the said locality, and arranging provision to the postal staff in the Nilgiris of suitable residential accommodation at reasonable rates of rent? If not, why not, and when do they hope to redress this grievance of postal officials employed in the Nilgiris?

The Honourable Sir Frank Noyce: (a) Residential quarters are not provided by the Madras Government for all their employees serving at the localities mentioned. Although the rate of compensatory allowance for Madras Government employees of the clerical class is slightly higher than that drawn by the Postal officials of corresponding status, the latter are on a better scale of pay.

(b) On account of the unsatisfactory state of the finances in the Posts and Telegraphs Department, proposals for increasing the existing rates or making new grants, of compensatory allowances or special pay have had to be refused generally in all circles on the ground of the additional expenditure involved.

(c) The first part does not arise in view of the above reply. As regards the last part, no scheme for any new construction of quarters for the staff can be undertaken on account of the existing financial stringency.

RULES IN CONNECTION WITH APPEALS REGARDING PAY AND ALLOWANCES ON THE EAST INDIAN RAILWAY.

140. Khan Bahadur Haji Wajihuddin: (a) With reference to the reply to unstarred question No. 54 (b) given in this House on the 16th February, 1934, will Government be pleased to state if it is a fact that rules regarding the submission of appeals in connection with discharge and dismissal of State Railway non-gazetted employees do exist, but rules in connection with appeals "regarding pay and allowances" do not exist on the East Indian Railway?

(b) If the reply to part (a) be in the negative, then under what circular or notification the rules in connection with the submission of memorials "regarding pay and allowances" were communicated to the employees?

(c) If any such rules exist at all, will Government be pleased to lay on the table of this House a copy of them, *i.e.*, the rules in connection with the submission of memorials regarding "pay and allowances" and not regarding discharge and dismissal?

(d) Will Government be pleased to quote the rule, if any, in which it is laid down that memorials "regarding pay and allowances" will be within the competence of the Agent and will not lie to the Railway Board?

Mr. P. R. Rau: I have called for information and will place a reply on the table in due course.

RULES REGARDING THE SUBMISSION OF MEMORIALS ON STATE RAILWAYS.

141. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that Mr. P. R. Rau stated in this House on the 11th December, 1933, that "certain memorials have been, I understand, recently received, by the Railway Board on the question and, in considering those memorials, all aspects of the case will be taken into consideration" (*vide* page 2928 of the Legislative Assembly Debates of the 11th December, 1933)?

(b) Is it a fact that in reply to unstarred question No. 54 (a) given in this House on the 16th February, 1934, Mr. P. R. Rau said that those memorials were from the North Western Railway staff?

(c) Is it a fact that regarding the memorials of the old Travelling Ticket Inspectors of the East Indian Railway, Mr. P. R. Rau in reply to unstarred question No. 54 (b), dated the 16th February, 1934, stated in this

House that disposal of such memorials, *i.e.* from the East Indian Railway staff, was within the competence of the Agent (advance copies of the said memorials having been sent to the Railway Board direct)?

(d) Are there different rules regarding the submission of memorials on different State Railways?

Mr. P. R. Rau: (a), (b) and (c). Yes.

(d) No.

MEMORIALS REGARDING PAY AND ALLOWANCES OF RAILWAY EMPLOYEES.

142. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that Sir Alan Parsons stated on the floor of this House on the 12th February, 1932, that "such employees, however, may submit a memorial to the Railway Board on matters affecting the conditions of service (*vide* Legislative Assembly Debates of the 12th February, 1932, page 622)?

(b) Is the reply of Mr. P. R. Rau not contradictory to the one given by his predecessor, in view of the reply to unstarred question No 54 (b), dated the 16th February, 1934, that the disposals of memorials regarding pay and allowances is within the competence of the Agent?

(c) If the reply to part (b) be in the negative, will Government be pleased to state:

(i) which memorials were referred to by Sir Alan Parsons; and

(ii) which memorials were referred to by Mr. P. R. Rau?

(d) Is it a fact that the memorials in question from the old Travelling Ticket Inspectors of the East Indian Railway were based on the decision of the Railway Board accorded in December, 1932, and is it now within the competence of the Agent to dispose of these memorials?

(e) Is it a fact that in the usual course an appeal lies to the authority passing the orders or to an authority next above him?

(f) Are the memorials connected with the orders of the Railway Board within the competence of the Agent to be disposed of?

(g) Is it not a fact that the memorials in question directly refer to matters affecting the conditions of service of the old Travelling Ticket Inspectors of the East Indian Railway?

Mr. P. R. Rau: (a) Yes.

(b) and (c). No. What Sir Alan Parsons meant was that an employee could submit a memorial on matters affecting the conditions of service to the Railway Board through the Agent. This, however, did not imply that every such memorial would be considered by the Railway Board.

(d), (f) and (g). I am not in a position to reply unless the Honourable Member gives me particulars about the memorial to which he is referring in order to enable me to identify it.

(e) Generally, this is so in cases of discharge and dismissal.

MEMORIALS REGARDING PAY AND ALLOWANCES OF RAILWAY EMPLOYEES.

143. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that representations of Travelling Ticket Examiners of the East Indian Railway addressed to the Railway Board in March.

1933, were forwarded by the Agent, East Indian Railway, to the Railway Board, as acknowledged in the reply to unstarred question No. 364 (b), on the 20th December, 1933, and in the reply to starred question No. 1385 on the 11th December, 1933?

(b) Is it a fact that these representations were from certain staff other than the old Travelling Ticket Inspectors (regarding whom a decision was given by the Railway Board in December, 1932)?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state:

(i) if in the case of certain employees the Agent can forward the memorials to the Railway Board and in others he is himself competent to dispose of them, especially when the subject of both is pay and allowances;

(ii) whether there are different rules for the disposal of memorials regarding pay and allowances for the different categories of employees of one department on the same State Railway; and

(iii) if there are uniform rules, then under what circumstances the memorials of certain Travelling Ticket Examiners were forwarded by the Agent to the Railway Board and, in the case of others, *i.e.*, the old Travelling Ticket Inspectors, the Railway Board holds the Agent competent to dispose of them (*vide* reply to unstarred question No. 54 (b) in this House on the 16th February, 1934)?

Mr. P. R. Rau: (a) Yes.

(b) Yes.

(c) (i) and (iii). Ordinarily the Agent is competent to dispose of memorials regarding pay and allowances from non-gazetted staff. This does not, however, prevent him from referring any particular case to the Railway Board for orders.

(ii) Not so far as I am aware.

SCOPE OF THE HOME DEPARTMENT LETTER NO. F.-537—32-ESTS.

144. Khan Bahadur Haji Wajihuddin: Will Government please state whether Home Department letter No. F.-537/Ests., dated the 16th November, 1932, applies either to

(a) fresh recruits; or to

(b) departmental promotions; or to

(c) either class of cases mentioned in parts (a) and (b)?

The Honourable Sir Harry Haig: The letter in question was addressed to Local Governments and has not been published.

URS OF KHAWAJA SAHIB IN AJMER.

145. Khan Bahadur Haji Wajihuddin: (a) Will Government please state whether they recognise the Khawaja's fair (*Urs*) in Ajmer Sharif as an *Urs* of all-India importance? If not, why not?

(b) Will Government please state why only local holiday for this *Urs* is allowed and not a holiday throughout India?

(c) Will Government please state why no railway concessions by various railways are granted to the pilgrims proceeding to Ajmer Sharif during the *Urs*?

(d) Do Government propose to take steps to find out the importance of the *Urs* referred to in parts (a) to (c) above by inviting opinions of various administrations in order to give effect to the concessions mentioned in parts (b) and (c)?

Mr. H. A. F. Metcalfe: Sir, with your permission I will answer all parts together. The information is being collected and will be laid on the table in due course.

TELEGRAPH OFFICES AT MUD POINT AND HUGHLI POINT IN BENGAL.

146. **Mr. S. C. Mitra:** (a) Will Government please state if the telegraph offices stationed at Mud Point and Hughli Point (Bengal) are self-supporting? If not, do Government propose to abolish those two offices?

(b) Is it a fact that the nature of duties of those two offices compel the office-masters in charge to live in the quarters attached to them?

(c) Is it a fact that one of them has been given free quarters, while the other has to pay for it? If so, why?

Sir Thomas Ryan: (a) The reply to the first part of the question is in the negative; as regards the second part the retention of the offices is administratively essential and it is not possible to close them.

(b) The fact is substantially as stated.

(c) The telegraph offices referred to are in charge of postal signallers who are not entitled to rent-free Government quarters as a condition of their service. According, however, to the orders of the Government of India issued on the 3rd December, 1932, an official actually occupying rent-free quarters on that date was allowed to enjoy that concession until the next change in the incumbent of the post took place. As there has been a change of signaller in charge of the Hooghly Point telegraph office, the existing incumbent of the post is required to pay the usual rent for Government quarters occupied by him; while, as no such change has yet taken place in the Mud Point telegraph office, the signaller still retains the concession of rent-free quarters which he enjoyed before the issue of those orders.

RULES REGARDING TRANSFERS OF ASSISTANT POSTMASTERS GENERAL.

147. **Mr. S. C. Mitra:** (a) Is it a fact that, according to the standing orders of Government, the Assistant Postmasters General are to be transferred after five years?

(b) Is it a fact that the Postmaster-General, Bengal and Assam, has all along been violating this order of Government?

(c) Is it a fact that Mr. N. C. Dutt, B.A., has been working as Assistant Postmaster-General, Bengal and Assam Circle, for the last ten years?

(d) Is it a fact that only paper transfers were made?

(e) Is it a fact that Mr. Dutt was transferred to Comilla some two years ago, but he never joined there?

(f) If the replies to the preceding parts be in the affirmative, do Government propose to take suitable notice of this?

The Honourable Sir Frank Noyce: (a) The orders are that ordinarily a Superintendent of Post Offices or of the Railway Mail Service should not occupy the post of Assistant Postmaster-General for more than 5 years at one stretch.

(b), (c) and (d). No.

(e) Yes.

(f) Does not arise in view of the replies to parts (b), (c) and (d).

RE-TRANSFER OF THE RAILWAY MAIL SERVICE "C" DIVISION TO THE CONTROL OF THE POSTMASTER GENERAL, BENGAL AND ASSAM CIRCLE.

148. Mr. S. C. Mitra: (a) Do Government propose to retransfer the Railway Mail Service "C" Division to the control of the Postmaster General, Bengal and Assam Circle, Calcutta?

(b) Are Government aware that owing to the transfer of the Division to the Bihar and Orissa Circle, its administration has been more costly?

(c) Is it a fact that the Postmaster-General, Bihar and Orissa, has issued orders forbidding recruitment of Bengalees in that Division?

The Honourable Sir Frank Noyce: (a) and (b). No.

(c) Government have no information. The Postmaster-General, Bihar and Orissa Circle, being in charge of the "C" Division, Railway Mail Service, is competent to issue orders in the matter of recruitment of the staff in that Division. The interests of Bengalees in the matter of appointments in the Railway Mail Service are adequately provided for in the Bengal and Assam Circle.

INCONVENIENCE CAUSED TO PILGRIMS AT THE NIZAM-UD-DIN RAILWAY STATION.

149. Mr. Uppi Saheb Bahadur: (a) Are Government aware that great inconvenience was caused to pilgrims at the Nizam-ud-din Railway Station at the time of the last annual fair at the Dargah of Hazrat Nazam-ud-din?

(b) Is it a fact that the attitude of the station staff of the Nizam-ud-din Railway Station was very objectionable towards pilgrims?

Mr. P. R. Rau: (a) and (b) No complaints have been received by Government.

ASSAULT TO AN INDIAN VENDOR AT THE PHULERA RAILWAY STATION.

150. Mr. M. Maswood Ahmad: (a) Are Government aware that on the Company-managed railways Indians are generally harassed by Anglo-Indians?

(b) Will Government please enquire and state if it is a fact that an Anglo-Indian fireman of the Bombay, Baroda and Central India Railway assaulted and caused hurt to an Indian vendor licensed by the said railway on the platform of the Phulera Railway Station on the 22nd October, 1933?

(c) Is it a fact that the said fireman was sometime ago convicted of a criminal offence? If so, why was he not dismissed by the Railway Company?

(d) Is it a fact that Dr. Anderson, Additional Civil Surgeon, Ajmer, certified the said vendor's hurt as grievous?

(e) Is it a fact that the Station Master and several other members of the railway staff were present at the Phulera Railway Station platform at the time of the assault referred to in part (b) above, and that they did nothing to save the vendor from being assaulted and hurt?

(f) Is it a fact that the brother of the said vendor wired to the Bombay, Baroda and Central India Railway authorities about the incident? If so, what action did the authorities of that Railway take in the matter?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 150, 151 and 152 together. Government have no information but a copy of questions Nos. 150 and 151 is being sent to the Agent, Bombay, Baroda and Central India Railway and a copy of question No. 152 to the Local Government for such action as they may consider necessary.

ASSAULT TO AN INDIAN VENDOR AT THE PHULERA RAILWAY STATION.

†151. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the Assistant Medical Officer of the Bombay, Baroda and Central India Railway at Phulera refused to admit an Indian injured vendor in the Railway Hospital at Phulera on the 22nd October, 1933, in connection with the injuries received by him in an assault by an Anglo-Indian fireman of that Railway at the platform of the Phulera Railway Station?

(b) Is it a fact that the said Assistant Medical Officer refused to give a medical certificate in respect of the injuries received by the vendor?

(c) Is it a fact that the Railway Medical Officer at Ajmer also refused to admit the vendor in the Railway Hospital at Ajmer?

ASSAULT TO AN INDIAN VENDOR AT THE PHULERA RAILWAY STATION.

†152 **Mr. M. Maswood Ahmad:** (a) Is it a fact that the brother of an Indian vendor reported to the Officer-in-Charge of the Government Railway Police at the Phulera Railway Station that his brother, a licensed vendor of the Bombay, Baroda and Central India Railway, had been assaulted and hurt by an Anglo-Indian fireman at the Phulera Railway Station platform on the 22nd October, 1933?

(b) Is it a fact that the said Sub-Inspector had himself seen the vendor lying unconscious at the Railway Station platform?

(c) Is it a fact that the Sub-Inspector refused to record the report made by the brother of the injured man?

(d) Is it also a fact that the Sub-Inspector refused to give a memorandum to the brother of the injured for his medical examination by the Assistant Medical Officer of the Railway at Phulera?

(e) Is it also a fact that the Sub-Inspector turned the brother of the injured man out of the premises of the Police Station?

(f) Is it also a fact that the Sub-Inspector threatened to arrest the brother of the injured man if the latter continued to insist on the recording of his report and on obtaining a memorandum for the medical examination?

†For answer to this question, see answer to question No. 150

(g) Is it a fact that he wired to the Superintendent of Government Railway Police at Indore, reporting the above action of the Sub-Inspector? If so, what action did the Superintendent of Police take in the matter?

(h) Is it also a fact that he wired to the Railway Magistrate at Ajmer about the matter? If so, what action was taken by him in the matter?

(i) Do Government propose to institute an enquiry into the allegations and take necessary steps to prevent such occurrences in future? If not, why not?

RE-INSTATEMENT OF PERSONS WHO WENT ON STRIKE IN 1930 ON THE GREAT INDIAN PENINSULA RAILWAY.

153. **Mr. S. G. Jog:** (a) Will Government be pleased to state how many ex-strikers (1930) are still to be provided for on the Great Indian Peninsula Railway?

(b) How many of them are on the first waiting list?

(c) How many of them are on the second waiting list?

(d) Is it a fact that some strikers, though they complied with the terms of the communiqué, have been discharged from service merely for not vacating quarters?

(e) Are Government aware of recent judicial decisions that discharge from service merely for not vacating quarters without proper legal notice have been declared as wrongful?

Mr. P. R. Rau: (a) 3,495.

(b) 172.

(c) 3,323

(d) It is not a fact that strikers were discharged from service merely for not vacating quarters. The position was, as stated by Sir George Rainy in reply to a short notice question on the 25th March, 1930, that a number of men on application for re-instatement were asked by the Railway to vacate their quarters, as their original posts had been permanently filled and re-employment either could not be found for them at once, or could not be found at the stations where they were employed previous to going on strike. They were asked to vacate their quarters as a preliminary to their names being entered on the waiting list.

(e) No.

GUARDS OF "A" GRADE ON THE GREAT INDIAN PENINSULA RAILWAY.

154. **Mr. S. G. Jog:** Is it a fact that "A" grade (Guards) on the Great Indian Peninsula Railway is exclusively reserved for Europeans and Anglo-Indians, and that though there has been reduction in pay and personnel in the case of "B" grade guards, the "A" grade scale has not been in any way affected?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

RE-INSTATEMENT OF "B" GRADE GUARD EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

155. Mr. S. G. Jog: Is it a fact that no "B" (Guard) grade ex-strikers on the Great Indian Peninsula Railway have been reinstated in their former grades, though there were a number of vacancies in that grade? If so, is it in accordance with the declaration of the policy outlined in the communiqué?

Mr. P. E. Rau: I have called for information and will lay a reply on the table of the House in due course.

TREATMENT OF RE-INSTATED EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

156. Mr. S. G. Jog: Is it a fact that ex-strikers on the Great Indian Peninsula Railway, reinstated after the 16th July, 1931, have been treated as re-engaged, thereby being deprived of Provident Fund bonus and gratuity? If so, is this not in contravention of the policy declared in the communiqué?

Mr. P. E. Rau: I have called for information and will lay a reply on the table of the House in due course.

FIXATION OF DIFFERENT CLASSES OF SUPERVISORY POSTS IN THE POST OFFICE AND THE RAILWAY MAIL SERVICE.

157. *Mr. S. C. Mitra: (a) Will Government be pleased to furnish this House with a copy of letter No. Est. B./EA-1/136/27, dated the 17th May, 1928, issued by the Director General of Posts and Telegraphs to all Heads of Circles, regarding fixation of different classes of supervisory posts in the non-gazetted selection grade posts in the Post Office and Railway Mail Service?

(b) Is it a fact that the Director General has recently issued a letter No. ES.A-10/33/Col. 34, dated the 28th December, 1933, stating that, where the number of a clerk or sorter under the direct supervision of a supervisor does not exceed ten, he should ordinarily be a time-scale official with a special pay of Rs. 20 per month?

(c) Is it a fact that where the number of a clerk or sorter in charge of a supervisor will exceed ten, he should be in the Selection Grade?

(d) Is it also a fact that a supervisor will be sanctioned for every ten clerks or sorters?

(e) Is it also a fact that while retrenching the number of selection grade posts in the Post Office or Railway Mail Service, Government respected the recommendation of the Postal Committee, 1920, and retained the number as recommended by them?

Sir Thomas Ryan: (a) Government are not prepared to lay on the table copies of departmental correspondence

(b) Yes

(c) No. The number ten is intended only to serve as an approximate guide, and each case for the creation of a selection grade post is examined and decided on its merits.

(d) No. A supervisor is sanctioned when such a post is found justified by the time test for supervisory staff.

(e) Posts not only of the selection grades but also of other classes are being abolished or reduced from a higher to a lower scale of pay, where this can reasonably be done in the interests of the economical administration of the Posts and Telegraphs Department. In consequence the total number of posts now existing in the selection grades may for various reasons differ from the number recommended by the Postal Committee, 1920, but Government have kept in view the general principle laid down by that Committee, *viz.*, that the number of selection grade posts should be determined solely with reference to the number of charges sufficiently important to carry pay above the ordinary time-scale.

DUTIES OF DEPUTY POSTMASTERS OR DEPUTY SUB-POSTMASTERS.

158. **Mr. S. C. Mitra:** (a) Will Government be pleased to state what are the duties of the Deputy Postmasters or Deputy Sub-Postmasters?

(b) Is it a fact that they remain in charge of office during the authorised absence of the Head or Sub-Postmasters?

(c) Is it also a fact that in sub-post offices the Deputy Sub-Postmasters have to advance stamps to the stamp vendors or clerks and have to maintain a stock of stamps?

(d) Is it a fact that the Deputy Postmasters are to look to the payment of telegraph money orders which are received up to 6 P.M. and for which they are generally detained up to 7 P.M.?

Sir Thomas Ryan: (a) A Deputy Postmaster or a Deputy Sub-Postmaster is required to perform supervisory duties and at times some of the personal duties of the Head Postmaster or the Sub-Postmaster.

(b) Yes.

(c) and (d). The position varies according to the circumstances of each office. It may be that in some offices the position is as stated by the Honourable Member

BASIS OF THE PAY OF LINO OPERATORS.

159. **Kunwar Hajee Ismail Ali Khan:** (a) Is it a fact that the pay of lino operators is based on their outturn and that they cannot expect any annual increments? If so, what future prospects have they?

(b) Is it a fact that some lino operators were confirmed in their posts in 1923 or so, on Rs. 85, and that since then they are getting the same pay without any annual increment? If so, why?

(c) Is it not a fact that as the operators decline in age, the outturn falls lower? If so, are Government prepared to consider the desirability of increasing their pay and prospects with a scale of annual increment? If not, why not?

(d) Is it not a fact that the lino operators expose their lives to deterioration through constancy in their duty in close residue with gas and lead poison? If so, do Government propose to recompense them? If so, in what respect?

The Honourable Sir Frank Noyce: (a) I presume the Honourable Member refers to the linotype operators employed in the Government of India Press, New Delhi. There are three different categories of linotype operators in the Press, *viz.*, those recruited before the 16th July 1931, those transferred from the Calcutta Press and new recruits taken after the 15th July, 1931. The operators in the first category are on graded pay ranging between Rs. 85 and Rs. 100 and those in the last two categories are on time scales of pay. The payment to all the operators is however regulated on the basis of outturn and they are entitled to bonus if their outturn exceeds certain limits.

(b) Yes, as their outturn is below the prescribed limit.

(c) No. The second part does not arise.

(d) No gas is used in the Delhi Press. Lead fumes are generated by the machines, but there are exhaust arrangements approved by the Factory Inspector, prophylactic measures have been introduced and arrangements have been made for periodical medical examination of those exposed to risk. Actual cases of lead poisoning are dealt with under the provisions of the Workmen's Compensation Act.

QUALIFYING EXAMINATION FOR READER'S POST IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

160. Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that a qualifying examination for readers' posts was held some time in last December in the Government of India Press, New Delhi? If so, were there any inter-departmental men sitting for that examination?

(b) Were inter-departmental men desirous to sit for the examination invited to send in their applications as they invited the copy-holders? If not, why not?

(c) Is it not the practice in every Government Department to hold such examinations departmentally whenever filling up vacancies? If so, why was not a similar procedure observed in the Government of India Press, New Delhi?

(d) Is it a fact that the right to sit for the qualifying examination for readers' posts is solely and exclusively reserved for copy-holders? If so, why?

(e) Do Government propose to issue instructions to the Press authorities to respect equally the claims and prospects of every employee in every branch of service? If not, why not?

The Honourable Sir Frank Noyce: (a) The answer to the first part is in the affirmative. On the assumption that by "inter-departmental men" the Honourable Member means men employed in branches other than the Reading Branch of the Press, the reply to the second part is in the negative.

(b) to (e). I am not aware of the practice in every Government Department; but in the Government of India Presses the ordinary practice is to fill the higher grades of a technical branch by efficient and qualified men in the lower grades of the same branch. The qualifying examination for Readers' posts is not restricted to the men in the Reading Branch and, while men in other branches have no claim to employment in that branch those who offered themselves would be examined.

ELECTION OF THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President (The Honourable Sir Shanmukham Chetty): I have to inform the Assembly that up to 12 Noon on Saturday, the 3rd March, 1934, the time fixed for receiving nominations for the Standing Committee for the Department of Education, Health and Lands, three nominations were received. As the number of candidates is equal to the number at vacancies, I declare the following to be duly elected:

- (1) Khan Bahadur Maulvi Rafiuddin Ahmad,
 - (2) Khan Bahadur Haji Wajihuddin, and
 - (3) Mr. A. Das.
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THE GENERAL BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now proceed with the discussion of the Demands for Grants. According to the arrangement about which the Chair made an announcement, the available time today will be divided between the Independent and the Democratic Parties. Roughly about 4½ hours are available for today. The Chair proposes to allot this time equally between the two Parties. The first discussion will be on Demand No. 39 by the Independent Party and this discussion must close about 5 or 10 minutes past 3, which means that only about 2 hours and 10 minutes would be available for this Demand. In view of the short time available, the Chair proposes to place a time limit on speeches—20 minutes for the Mover and 15 minutes for other speakers.

DEMAND No. 39—ARMY DEPARTMENT.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

‘That a sum not exceeding Rs. 4,17,300 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of ‘Army Department’”

Retrenchment in Defence Expenditure and Military Policy.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I move:

“That the demand under the head ‘Army Department’ be reduced by Rs. 100.”

By this I want to raise the question of a retrenchment in defence expenditure and of the Military policy. This is a question which is debated every year in this House, but that is no reason why we should not discuss it again this year having in regard the outstanding importance of the subject. The expenditure of the Military Department is a vital matter to the country, because, if it remains at its present figure of 44½ crores, it will

stand in the way of all beneficial activities, besides entailing heavy taxation under which the people are groaning.

This year, the Honourable the Finance Member has told us, as he told us last year, that the Army Department has been good enough to reduce their budget to a figure of about 40 crores from about 55 crores and this year it comes to 44½ crores. He no doubt very rightly gave every credit to that Department for the economies so far effected and I join with him in expressing our appreciation of the part played by His Excellency the Commander-in-Chief, for I do believe he has greatly helped the Honourable the Finance Member in effecting such economies as he has been able to do. When we look at the history of military expenditure, we at once realise how that expenditure is liable to go up from time to time when the finances are easy, and then, when the Finance Department is in a difficult position, the Military Department has perforce, to cut down its expenditure. This is only natural; this being a very large spending department, its internal organisation and administration cannot be effectively controlled and regulated by any outside civil authority to any adequate extent. The Department, as we all know, is apt to indulge in a scale of expenditure which the country cannot bear, and it is, therefore, essential that this House and the civil side of the Government and the Finance Member in particular should never relax their vigilance over the Department. Sir, this year we are in a somewhat advantageous position to discuss the question of military expenditure and to prove to this House, the public and to the world that India is not being fairly treated in this matter at all by Britain. The country is being most inequitably treated. Considerable light has been thrown on the position by the report of the Capitation Tribunal. If we had all the papers, all the important papers that the Government of India placed before that Tribunal, our case would have been, I believe, still more strengthened. Sir, we have received a contribution of Rs. two crores from His Majesty's Government as our just due, but I am absolutely convinced, even upon the meagre material that we have in the report itself, that we are entitled to very much more than two crores. This was admitted by the Honourable the Army Secretary himself.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I never admitted that we were entitled to it. I said we had asked for more.

Sir Abdur Rahim: I had asked my Honourable friend this question: supposing the Government of India's case had been fully accepted by the Tribunal, what would have been the contribution to India, and I suggested to him that the contribution would have been much more than what had been conceded. He replied "yes, certainly yes". If my Honourable friend refreshes his memory, he will find I am absolutely accurate.

Mr. G. R. F. Tottenham: That is, we did ask for more; I did not ever say in this House that we were definitely entitled to more.

An Honourable Member: Why did you ask for more?

Sir Abdur Rahim: My Honourable friend admitted that if the Government of India's case had been accepted in full, we would have been entitled to much more.

Mr. President (The Honourable Sir Shanmukham Chetty): They asked for more than what they were entitled to! (Laughter.)

Sir Abdur Rahim: As a matter of fact, my Honourable friend, the Finance Member, did suggest that the Government of India acted as an advocate. Who prepared the case for the Government of India? The Secretary of State, who is a Member of the British Cabinet, and he did so, I take it, after consultation with the Government of India. The case of the other side was prepared by the War Office and the Air Ministry and the two cases were placed before the Tribunal. May I ask the Government's representatives in this House if they put forward a case in which they did not believe? Is it to be believed for one moment, that a Government like the Government of India would put forward a case in the justice and fairness of which they did not themselves believe? I should like to know what answer the Government of India have to give. If they believed in that case, then they ought to have insisted: "no, we cannot agree that we should not get the full amount due to us". Sir, the Indian Army, including the British troops is maintained here, not merely for the defence of India, not merely in our interests, it is maintained in order to safeguard Imperial interests as well. Can that fact be denied? Even the Simon Commission's Report, which is the political Bible of the Diehard British politicians in both the countries,—what does it say? Does it not lay down in clear and unambiguous language, that the Indian Army is maintained, not merely for the defence of India, but in the Imperial interests as well? I may just read out one sentence only from that report. At page 174, Volume II, they say this:

"But here the effective defence of India is a matter in which other parts of the Empire are also closely and directly interested—Imperial foreign policy, empire communications, empire trade, the general position of Britain may be vitally affected."

Sir, His Majesty's Government maintains British troops in some other parts of the Empire as well, and in most of those cases it is the British Exchequer which bears the expenses. I will just quote from the "Statesman's Year Book":

"The land force of the United Kingdom consists of the regular army, the territorial army and the reserve forces. The regular army, whether at home or abroad except in India"—(I suppose the richest country in the Empire) (Laughter)—"is paid for by the Imperial exchequer."

India even pays a contribution towards the cost of troops at home owing to these serving as a *dépôt* for the regular troops in India and the Imperial Exchequer pays only for Indian troops when serving outside India. Let me remind the House, Sir, that it was the late Lord Salisbury who once remarked that India was the barrack of British troops in the oriental seas. Sir, I can quite understand that for Imperial purposes Britain wants to keep her garrison in India. But, surely, does it follow, is it fair to this country, that we should also be asked to pay for those garrisons? Sir, let us see what was the case put forward before the Tribunal itself. I find this at page 15 of the Report:

"The majority of us think that the grounds in respect of which the contribution should be made are the following only:

- (1) That the army in India is a force ready in an emergency to take the field at once, which does not exist elsewhere in the empire, which is specially available for immediate use and which has on occasions been so used;
- (2) That India is a training ground for active service such as does not exist elsewhere in the empire."

Then, the positive case, so far as I find from this report, which was put forward by the Government of India to the Secretary of State, was this. The report says:

"As to the amount of contribution, we are unable to place it on an arithmetical basis. The India Office has tentatively suggested several alternative formulæ on which the contribution might be based:

(1) A fixed percentage of India's total expenditure on defence, say one-half—about £18 million per annum suggested by some members of the Sub-Committee of the First Round Table Conference, or alternatively some lower percentage,

(2) the extra cost of maintaining British troops in India over the cost of maintaining a corresponding number of Indian troops, estimated at £10 million

(3) Defence expenditure of India relating to the cost of British troops, say, 16 million pounds or, alternatively, a percentage of this."

Now, I put to this House and to the Government that Indian troops, officered as they are by British officers mainly, if not almost entirely, are quite sufficient for all the needs of Indian defence and to meet such dangers as arise from the activities of the Frontier tribes and any internal commotions that may arise. If necessary, you might increase the number of Indian troops. But no one can say that it is essential or necessary in the interests of Indian defence, properly speaking, to keep here about 50,000 British troops whose cost is far more than that of Indian troops per head and per unit. I believe it is several times more than the cost of the same strength of Indian troops. What have we got from the British Government? Only two crores of rupees. I have not the exact figures before me of the cost of British troops, but it is very considerable and one of the suggestions which I make to the Government of India, in spite of the verdict of the Tribunal which, by the by, was not unanimous, is, that we should get much more than what has been given. We know that there were two Indian Judges who were members of that Tribunal, and even on the technical and narrow question of the period of training they could not agree with their British colleagues. They did not agree with the majority and the reasons they have given in their note are certainly very strong. They are based on the findings of military authorities of great distinction, men like Sir Beauchamp Duff, Lord Lawrence, and, not the least, His Excellency the present Commander-in-Chief; indeed it was upon a series of reports of Committees, no less than five, that they based their conclusion that the period of training should not exceed six months—I am giving a general idea—while, as a matter of fact, the period of training that was accepted by the majority was 12 months. Now, as regards the Frontier problem, which is always flung into our face in defence of the present scale of army expenditure, I should like to know how far the new policy initiated by the Foreign Department in those regions, namely, the policy of peaceful penetration and exercising civilizing influence on the tribes by providing them with useful employment has been carried out. In the General Purposes Sub-Committee of the Retrenchment Committee, we had to consider this aspect of the question, and from the figures given in the official administration reports we found that since 1919 there had been a gradual decline in raids, casualties and the value of property looted; so that, while in 1919-20, there were no less than 611 raids, in 1927-28 there were only 18 raids; the number of persons killed in 1919-20 was 298 and in 1927-28 only 2, the number of persons wounded in 1919-20 was 392, while in 1926-27 it was only 6.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up. But if he wants to develop his argument, the Chair has no objection to allow him another 15 minutes, but it will mean that from amongst his Party there will be one speaker less. The time at our disposal has to be distributed among various Parties. The Chair has no objection to Sir Abdur Rahim continuing for another 15 minutes. It would mean that there will be only one speaker more from his Party.

Sir Abdur Rahim: I am much obliged to you and to the House for this indulgence, as I have a great deal to say, and the subject is very important.

I should like to know from the Honourable the Army Secretary whether the state of things in the Frontier is the same as it used to be, for instance, in 1927-28. I want concrete facts. We could not get the later figures, but he might enlighten us as to what the state of things now is.

Another point on which this House has always laid great stress and upon which we should like to have the facts as they stand at present is regarding the Indianisation of the Army. We have established a College, but I should like to know what is the intake which is in force at present, and how long will it take at the present rate for the Army to be Indianised substantially. I am told it may take a century, perhaps two centuries. Perhaps the Army Secretary will be able to give us some more accurate idea as to the pace at which Indianisation is going on and how long will it take to complete the process. I hope the Army Secretary will enlighten us on the subject.

Sir, I do not wish to enter upon the question of expenditure on certain ancillary and administrative services in the Army. I think there are other Honourable Members in the House who are more competent to speak on this subject, especially my friends, Colonel Sir Henry Gidney and Diwan Bahadur Ramaswami Mudaliar, who investigated the matter. But there can be no doubt from such information, as we are in possession of, that a great deal of economy is still possible in some of the administrative and ancillary services, medical services, veterinary services, clerical services, and I think the Army Secretary will be in a position to tell us exactly how things stand in all these services. This morning we had very interesting interpellations as to the pay of the Army clerical staff, and there can be very little doubt that some services in the Military Department are much more highly paid than there is any necessity for it.

I now come to my Honourable friend, the Finance Member, as I have one or two questions to put to him. He told us in his very interesting Budget speech that 44½ crores which includes the two crores awarded by His Majesty's Government is not to be taken as a new permanent level of expenditure on the military side. Then, he recounted a number of contingencies which may lead to that level being considerably raised. He said:

"The budget figure of 44.38 crores cannot be regarded as representing as yet a new permanent level of defence expenditure, but is an emergency Budget which barely covers the obligatory charges of maintenance. They point out that if the general price level should rise,

—which every one, including the Honourable the Finance Member, hopes for,—

"defence expenditure will automatically rise as it has automatically fallen; that the restoration of the emergency pay cut, when it comes, will mean a further increase;

that the curtailment of building and other programmes means the accumulation of commitments which cannot be postponed indefinitely: that current expenditure on stores must rise when retrenchment surpluses have been eaten down; and that during the next few years there will be inevitable extra expenditure on duplicate establishments in the earlier stages of Indianisation."

Then he says us a matter of consolation to us:

"Further possibilities of economies are still being urgently sought for."

That is the position. Therefore, we are not at all on certain ground. The expenditure, according to the Honourable the Finance Member, is bound to rise very soon. As soon as my Honourable friend gets a little more money, I am certain that a good portion of it, if not the whole of it, will be grabbed by the Military Department. Where, then, is there any relief to the tax-payer, where is there any possibility of rendering any beneficial service to the people, whose money the Government of India are spending? I say the prospect is very bad indeed. The only way out of the difficulty is that justice should be done to the revenues of India by Britain, that Great Britain should be told that the Government of India are on their last legs. The Government of India cannot go on indefinitely bearing the entire charges, a substantial portion of which ought to fall on the British Exchequer and Britain must be told that the two crores, which I suppose is a sort of gift to us, does not meet the situation. We want full justice to the Indian people. If Britain wants to keep a garrison here for her own Imperial interests, then she must pay the entire expenditure of that garrison. That is our case. We are not asking for any dole or charity from the British Exchequer. I know that the Government of Britain do not maintain a charity institution for us. Supposing we had a national Government here, supposing we had a Government responsible to the people, what would have been the position? They would have said "Even under the present conditions we have Indian troops and we can increase them, if necessary, there is no want of men in order to fill the ranks of the Army, there is no want of well-educated, able-bodied patriotic men who are willing to join the Army as Officers. We say that our men and our resources are quite sufficient to meet the needs of India's defence. But, we recognise that we have friendly connections with Great Britain. Our interests for more than a century have been linked together. We are a unit of the British Empire and we do not want the Imperial interests to suffer. If Great Britain thinks and if the War Office in England thinks that it is necessary, in order to safeguard the Imperial interests of Britain, to keep British troops in India, we raise no objection. But, when they ask further that we must pay for these troops, pay for their entire upkeep from the time they are recruited and also the non-effective charges, it does seem to us that it is not justice, it is not fair play." Great Britain, Sir, is far richer in comparison than India. There is no comparison indeed between the two countries. Look at the standard of living of England. Even during the so-called economic blizzard, that has been passing over Europe, is there any comparison between the standard of living of the British people and the standard of living of the poor, wretched, miserable people of this country? For the Government of a country like Great Britain to ask us to pay for the troops which they keep for their own Imperial interests here, to ask the poor people of India, whose income is hardly three pence a day, to meet this heavy charge, is, it seems to me, inequitable. The Government of Britain have a very serious case to answer. I must acquit the Government of India so far as they are at all separate from the Government in Britain of any blame for not putting forward their case. They did

[Sir Abdur Rahim.]

put forward India's case, and, I am absolutely sure of that, and the Government of India, especially the Honourable the Finance Member, deserve every credit for putting forward the case of India, and not the least, His Excellency the Commander-in-Chief himself. From what I can gather, I believe they have done their best, and it is up to them now that they should go on putting pressure on the British Government to do full justice to the poor people of India.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Army Department' be reduced by Rs. 100 "

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, I thank you very much for giving me this early opportunity of intervening in this debate. I listened with great interest to the Leader of the Opposition when he expressed his views on how the Army Budget should be reduced. Sir, the Press has recently been flooded with a series of articles to show that the cost of the Army in this country is not really the figure quoted,—44 crores, but is about 34 or 35 crores. I have no doubt that the Army Secretary will today tell us how the expenditure, though on paper appears high, is really less. We will then be in a better position to assess his estimates.

My Honourable friend, Sir Abdur Rahim, laid great stress on the gift or, as he said, the just dues of India, of the two crores awarded by the Capitation Tribunal. He complained that we did not get enough. He has evidently forgotten the old saying: "He that expecteth nothing receiveth much, but he that asketh for much receiveth less or nothing". But, Sir, we have received something and I personally am very thankful that the finances of this country have been considerably eased by this grant of two crores. Sir, I will not belabour this point; because I do not consider that any gain will be secured by discussing the recent award of the Capitation Tribunal. This matter has been very frequently inquired into in the past, and I think we should gratefully accept the amount sanctioned. Sir Abdur Rahim continuing said that the British Army in India was mainly kept in India to safeguard Imperial interests. I think it would be more correct to say that the British Army in India, besides being a training ground for its troops and officers and incidently also the graveyard of many officers, was a jumping-off ground which the British nation utilised for the military needs of the Empire. He struck a very true note when he stated that the retention of the British Army in India, besides being necessary for India's defence, was so imperialistic in character that it was not fair to impose the entire cost of this Army on the Indian Exchequer. Sir, it might interest this House if I were to repeat the speech I made on the floor of the old Legislative Assembly in the year 1922 when speaking on the general discussion of the Budget. Referring to the military expenditure, I said:

"We cannot in the present restless condition of India dare to reduce our Army, even by a single man or a single gun. This, of course, means a heavy expenditure and India must bear the burden. I admit that in regard to a necessary Army, the judicious expenditure of money, however big the sum be, is, in the long run, true economy, and that it is a dangerous practice to introduce in it a battle of 'efficiency versus economy'. Yet I have some misgivings on certain Departments."

Sir, the important part of that speech, if I may stress it, was this. Referring to army expenditure on the Frontier, I said:

"In this connection I would ask this House to remember the discussion which took place at the last Simla Session.....I remarked that the matter had an 'All-India' bearing, and that the Frontiers constitute the only spot geographical conformation has rendered vulnerable to attack or invasions from the North. With your permission, Sir, I shall quote from my speech on that Resolution. I said :

'The North-West Frontier, from the Pamirs to the Sea, is the most important land Frontier of the British Commonwealth and, for this reason, its defence and maintenance was not a matter solely of Indian importance. India, I submit, holds that Frontier not only for her own protection but to guarantee the integrities of Imperial soil.'

I said that 'the day was not far distant when it would be widely recognised that India alone should not be called upon to bear the whole cost of defending this Frontier. That day, I believe, has come, especially when we recognise how great is the cost of maintaining and guarding this Frontier. . . . In it I see the greatest means of retrenchment in the Military Budget and I offer it for the very serious consideration of His Excellency the Commander-in-Chief. . . .'

I am glad to see that Sir Abdur Rahim in the year 1934 repeats exactly what I said in 1922. Sir, there is no doubt that, although I am one who does not believe in reducing the strength of the Army, I do believe that we can considerably reduce its cost without loss in efficiency. But, Sir Abdur Rahim went a little too far when he said that the British troops cost more and we did not need them in India. I am not at one with him there. I submit and I say without fear of contradiction that if the British troops were taken away from this country, in a very little time our rivers would be rivers of blood. In my opinion, the British troops are necessary for this country for many years to come and I do not think there is a single Member on the opposite side who would feel safe if they were removed. Sir, I refuse to ask the House seriously to consider a reduction in the British troops just now. but I do ask the Honourable Member seriously to consider means by which he can reduce the cost of maintaining that Army. We have in this House repeatedly shown the Army Secretary how he can reduce this cost; and I do hope, when the Army Secretary replies, he will deal with the various points that have been raised during the general discussion on the Budget. There is no doubt that we can reduce military expenditure by reducing our overhead charges. When I spoke on the General Budget Discussion, I referred to an important means by which we could reduce this expenditure. I suggested that an eight hour working day be demanded from all officers at Army Headquarters. That, I believe, has been variously criticised. Sir, while I do admit that although there are many Officers who are hard-worked,—and I know there are many who take work home,—yet I do believe that a majority of them or a large portion of them, who perform routine duties, leave all the responsible work to those few officers while they, themselves get off scot-free with just four or five hours work a day. If His Excellency the Commander-in-Chief would insist on eight hours work a day, the same as every other Government of India Department does *e.g.*, the Railways, I think we could considerably reduce the staff at Army Headquarters. The questions that were asked today of the Army Secretary was another very fertile field in which retrenchment and economy could be effected,—I refer to the Army clerks. Sir, I do not see why you should entertain British Army clerks at such a high rate of pay; I believe that when the Indian Unattached List got their present enhanced rates of pay in 1927 or 1928, it was with the greatest difficulty that the Financial

[Lt.-Col. Sir Henry Gidney.]

Adviser to the Army recommended it. I believe two or three times this enhancement was refused and then in some extraordinary way it was passed, how I do not know. But I do believe that there is not a single officer in the Military or Civil Finance Department who will, today, deny that these British Army clerks, with one or two exceptions, are paid a wage which is really too high for the services they render; and I do think the Army Department should give this matter their serious attention.

I shall not repeat the remarks I made on the economy that could be effected in the military medical services. My oft repeated criticisms are there for the Army Department to accept or reject; but for the last nine or ten years, I have, on the floor of this House, repeatedly asked the Army Department to look into this means of retrenchment and to accept this measure of economy. But they have turned a deaf ear to it. They have always put themselves behind that convenient shelter—the Army policy. The Army policy, when you come to analyse it, is directed from the War Office in England. The Army is maintained by this country, and yet the personnel of it, specially in these attached or ancillary branches, are still controlled by the War Office. Sir, I do think that the time has come when the Army Department must kill those old prejudiced ideas which they have nursed and entertained about India and realise that they can get just as good service in this country from these ancillary branches as they can get from the rank and file of the British Army.

Sir, there is one point to which, I feel, I must refer before I sit down. It is a matter which I have not stressed for some time and it is this. When I signed the Joint Memorandum we submitted to the Joint Parliamentary Committee, I was one with my Indian friends in demanding a larger measure of responsibility being given to the future India, but I realised then and I realise more so today than ever, that, while we are crying for Indianisation, no real effort is being made to give the members of the Anglo-Indian and Domiciled European community even a little niche in the new Army and the defences of India except an occasional officer in the Indian Army. I know Members on the opposite side will say that they are prepared to take Anglo-Indians into rank and file of the Indian Army if they are prepared to accept the same wage that an Indian soldier receives. Sir, on the floor of the House and without any desire to enter into a controversy, I frankly admit it is impossible for an Anglo-Indian or a Domiciled European lad to live on the small wage of the Indian soldier. You on the opposite Benches have your views on this point and I have my own views. The question is, whether the Army Secretary realises the great part this community has played in the military development of this country from early days till today? (Interruption.) I do submit that that is a fact, and for the Army Department now to say that by the enlistment of Anglo-Indians into the Indian Army the class-homogeneity of the Army would be disturbed is all bunkum: again, for the Army Department to say that they cannot form an Anglo-Indian unit today shows an absolute lack of imagination; and for the Army Department or the Army Advisory Council to say that it would not be worth the experiment shows the basest ingratitude to a community that has for centuries served the country so well and loyally. I should here like to state that, three years ago, I succeeded in getting the Secretary of State for India on the recommendation of His Excellency the Commander-in-Chief, to sanction the formation of a small unit to be called a signal

unit. This sanction and the terms of service were in the process of being printed and becoming a *fait accompli* when the 1932 Indian Military Retrenchment Committee suggested its retrenchment, and the Army Department seized on it as an easy prey by which it could cut down its military expenditure, and thereby deprived the community of this small avenue of military service in its own country. Today thousands of young men and lads of the community—many of them being the finest specimens of boys you could wish for: educated in our finest English Public and army schools—are roaming the streets unemployed, and yet the Army Department refuses to make use of them even at a reduced cost. Why will the Army Department continue to refuse an Anglo-Indian unit? They are the sons of your own British soldiers and civilians and they have rendered yeoman service in the British Army during the war and the auxiliary force: they have shown marked evidence of martial ability and intense loyalty. Why cannot a small unit be formed in which the community would be allowed to share the military burden and take part in the defence of its own country?

I do beg of the Army Department to reconsider this my plea and to see that, whilst accepting this intense desire on the part of Indians to Indianise the Army, it will give some small niche in the future Indian Army that will be filled by a community that it has not only created. but that has served the British Government for centuries like a loyal and faithful dog.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muham-madan Urban): Sir, in the short time at my disposal, I do not think I can enter into as much detail as I would like to in connection with this Army Budget. At the outset I should try to warn my Indian colleagues and friends that the Army Budget today is not Rs. 44 crores, but it is nearly Rs. 50 crores. I am thankful for the retrenchments that have been carried out and for the pressure so consistently and persistently put on the expenditure of the spending departments by the Finance Member and by His Excellency the Commander-in-Chief; and I am anxious, particularly in view of the fact that the Army Department has taken to publicity work, which I welcome, that the other side of the case should be equally well known to the Indian public. We often quote the Inchcape Committee report and we suggest that the 50 crores limit which Lord Inchcape and his Committee recommended has long since been passed and that today the Army expenditure is about 44 crores, or if we include the receipt of two crores from the Capitation Tribunal award, it is 46 crores. I venture very humbly to suggest that that is not the truth. Lord Inchcape and his Committee recommended that during the next financial year after their report, the net expenditure should be 57 crores; but the very next recommendation did not refer to a net expenditure, but to a gross expenditure; and all the confusion with reference to the Army Budget arises from the fact that Honourable Members do not know and do not differentiate between the gross expenditure and the net expenditure. If we read the report of the Inchcape Committee carefully, we find that they recommended that the gross expenditure after a few years should be 50 crores; and today, even if you accept the entire figure, as it is put forward in this Budget, the gross expenditure has just come to the figure of Lord Inchcape; but that is not the whole story. When the Inchcape Committee made these recommendations, the exchange stood at 1s. 4d. and all the payments we had to remit to the British Treasury were calculated

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at Rs. 15 to the pound. Today it is calculated at Rs. 13-8-0 to the pound. If you take the payments made to the British Treasury, it was somewhere about £25 millions, and excluding receipts somewhere about £20 millions for various purposes. I venture to think that about three to four crores were saved on the exchange alone, so that today the gross military expenditure of the Government of India is somewhere between 52 and 53 crores and we have not reached the figure that Lord Inchcape took into account. Besides, Lord Inchcape did not allow for the great fall in prices which has taken place today: he could never have dreamt in the days when he was examining the question that prices would fall as low as they are now.

Now, that is not to criticise the Army for what it has not done, nor even to show an inadequate want of appreciation of the efforts that have been made. But there are some departments in which I still have to reiterate on the floor of the House that the recommendations, which have been made by the Retrenchment Committee and which might have been carried out, have not been carried out. I referred last year to the medical services, and my friend, Colonel Gidney, this year has also referred to the question; and if you turn to page 94 of the Army Budget, you will find that, whereas in the last year's Budget there were 228 R. A. M. C. Officers and 324 I. M. S. Officers and 23 Dental Surgeons with King's Commissions, in the present Budget there are 232 R. A. M. C. Officers, or an increase of four; 320 I. M. S. Officers, or a decrease of four; and 22 Dental Surgeons, or a reduction of one. So that practically, the medical services budget has been carried over to this year unchanged and without any reduction, in spite of the fact that I pointed out in my speech on the last occasion that this branch of the administration of the Army required drastic reduction. In fact it was one of the points on which Lord Inchcape and his Committee laid a great deal of stress; and anybody, who knows the hospitals run by the Army and the number of persons who are in charge and the number of people treated and the scales of dietary charges and other matters, knows full well that this is a branch of the administration which does require a little more close scrutiny by the Financial Officers of the Military Department and by the Military Authorities themselves. I know it is a very difficult question to settle, and I know that unless the head of the Department is willing to co-operate, it becomes extraordinarily difficult; and, in spite of the bogeys that may be raised about health and preservation of the stamina of the soldiers and sepoys, I venture to think that there is a fruitful source of economy in this direction.

There are other sources also—I am sorry I have not got the time to go in detail into them—there is the question of the supply and transport corps we suggested in the Retrenchment Committee that there was a distinction between the cis-Indus arrangement and the trans-Indus arrangement, and that, while certain arrangements were justified for the trans-Indus area, on the other side of the Indus in the North-West Frontier, those arrangements would not be justified on this side of the Indus. The reason is this: on the trans-Indus side, they are ready and prepared and they always have to be ready and prepared to march at a moment's notice, and they are in the position of covering troops really. Those in Bangalore and in the East Coast, in Calcutta and other places, are not in exactly the same position, and many of those latter Officers can be replaced by less costly staff and by Indian Superintendents in various

supply depots. I do not think anything has been done with reference to the organisation of that Department from that point of view.

Again, we went into the question of the various factories which are run by the Army to produce lethal weapons, and we suggested a drastic change in that expenditure. But the expenditure on army factories continues to be more or less the same as it was in the past. I should have liked that question also to be referred to in greater detail.

Sir, I should like to refer to one or two general questions of policy apart from these details; but before I do so, let me refer to one aspect which I dealt with last year. It is quite obvious that the number of horses, mules and ponies in the Army has been very considerably reduced owing to the mechanization of the troops, and yet we have year after year a large number of veterinary officers. My friend, Mr. Mitra, asked a question as to why Indians are debarred from being veterinary officers. My friend, Mr. Tottenham, took advantage of the fact that some of us are not able to differentiate between the various technical and technological terms of the Army, and gave what was then a convincing answer. I want him now to answer this question—there is no Indian holding a King's Commission in the Veterinary Services in India today. You can trust Indians to hold King's Commissions and treat human beings, but you cannot trust them to hold King's Commissions to treat the mules and horses, the ponies and donkeys of this country! That is a position which my friend, Mr. Tottenham, will find it difficult to press on the attention of the House in spite of his very persuasive logic and eloquence.

I should like, Sir, to refer very briefly to one or two questions of policy. My friend, Mr. Jagan Nath Aggarwal, in the course of his speech on the General Discussion, has already referred to the fact that in England there is going on a continuous vilification of the aims and ideals of some of us in this country who want to preserve British connection, and yet, at the same time, get our place in the sun. He referred in particular to a contribution made by a retired Civilian of the Madras Presidency,—I have unfortunately to admit it,—Sir Alexander Cardew, who held the position of a Member of the Executive Government there

An Honourable Member: He was Governor for some time

Diwan Bahadur A. Ramaswami Mudaliar: Yes, he acted as Governor of the Province. Sir Alexander Cardew, in the course of an article, quite appropriately to the *Morning Post*, says, after referring to the contribution of 1½ crores which is to be made yearly from British funds for the cost of the Indian defence:

“By another odd coincidence rumours come from India that 500 Officers of the Indian Army, men who placed their lives and fortunes at the service of India between 1914 and 1920, are shortly to be compulsorily retired. If these rumours are true, the position will be particularly interesting. Britain presents India with 1½ crores a year, and India in return turns off 500 British Officers. Their careers are prematurely cut short and sacrificed on the altar of the great God of Indianisation, one of whose high priests is Sir Samuel Hoare.”

I want the Army Secretary to get up in his place in this House and categorically state that this is a most vituperative writing, absolutely malicious, grossly inaccurate, not founded on facts, not having anything to do with the question of Indianisation, that this is a problem for which no Indian has been responsible. The block in promotion has arisen immediately after the War, and it has no connection at all with Indians or Indianisation. That is only a sample, Sir, of the sort of calumny that

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is going on against my country and countrymen in the Honourable Member's fair, free, liberty-loving, democratic Great Britain.

Let me come to another question of policy on which I addressed my friend, Mr. Tottenham, the other day. I told him that the Secretary of State had repeatedly guaranteed that if the Indian army were to be used outside India and for purposes not connected with Indian defence, then according to the Secretary of State and our understanding of his assurances, that could not be done without the decision of the Legislature having been taken. I should like to explain to Honourable Members the present position. Under section 22 of the present Government of India Act, if the Army is used for purposes outside India and not connected with the defence of India, the House of Commons has to sanction that expenditure. This is an old section which has been carried on from the Act of 1858, and the reason for it is this. It is the prerogative of the Crown to declare war and make peace. Parliament has nothing to do with it. The only control that Parliament has got is in regard to granting supplies. Now, the Indian revenues are not voted by Parliament. The Indian expenditure is not controlled by Parliament. Therefore, Lord Derby and those who shaped this Act at that time felt that here was a power in the Crown to declare war and utilise Indian forces without any reference to Parliament, and that was a position which was against the whole scheme of democratic Great Britain. I venture to state, Sir, that it was not in the interests of Indian revenues that that provision has found a place in successive Government of India Acts. Sir, if I had the time, I would have quoted Lord Derby's speech showing that under the provision, as it then existed, the Crown can declare war against Russia, Afghanistan and even in Europe without taking the sanction of Parliament and utilising the revenues of India and moving the troops that were stationed in this country. It was against that contingency that the provision came into existence, but we have moved far away from that position. What is it that Honourable Members are doing now? I have repeatedly complained that the army is a secret book. We have got no report of the working of the army during a year. How valuable it would be if we were to know more of the army in which we are asked to take a pride and in which we are asked to take an interest if we were to be made aware year after year by an annual report showing how the army was used, in what services it was employed, whether for internal security or for external defence. We gather here and there petty rumours,—of some controversy in Kashgar, where our Consul is reported to have been attacked by some troops, some reports of a treaty having been made between India, Yemen and Great Britain. The terms of the treaty are mentioned in the House of Commons, but this House has not got the privilege of listening to it. I know that foreign policy cannot be discussed, but it seems to me that it is scandalous that when that treaty is not one of those diplomatic treaties of the old days which are kept secret and cannot be opened or seen by anybody, and that it is bound to be filed at Geneva according to our membership agreement at the League of Nations, my friend, the Leader of the House, does not think it worth while to mention even a single word about those treaties and he does not take this House into his confidence. If you go on in this way, if you do not give us any information about these things, how do you expect us to say "we are proud of our army, we are proud of its achievements, we are proud that the work of the army is being carried on in a most effective and effectual way"?

Now, Sir, my Honourable friend, Sir Abdur Rahim, has referred to the Capitation Tribunal Award. I am one of those who felt at a very early stage,—and my friend, the Finance Member, will bear me out,—that it was a mistake to refer the question of the apportionment of expenditure between Great Britain and India to this Tribunal. When he called a small Conference in the year 1931 and suggested that two questions would be referred to this Capitation Tribunal,—one, the question of capitation charges proper which has been under discussion for a number of years, and the second, the question of the amount of contribution which Great Britain should make for keeping up the British Army or some portion of the British Army for Imperial purposes in this country, I, along with Sir Tej Bahadur Sapru, Mr. Jayakar and several others, suggested that the latter question should not be put before that Tribunal, that no Tribunal could really be asked to express an opinion on a question of that kind, and the only body to which this question should be referred

The Honourable Sir George Schuster: May I remind the Honourable Member that several Members, who were present at that discussion, changed their views afterwards. The majority favoured the reference at the end.

Diwan Bahadur A. Ramaswami Mudaliar: It is our privilege to change our views unfortunately. The view that we had taken then, I think, was perfectly correct, and nothing has happened during the interval to justify our changing that view. Then, its decision would have been much more effectively put before the House and before the country. The decision would have shown that it has gone entirely against the Government of India, because it has not given a pie to the Government of India and that it has treated all the arguments and all the eloquent advocacy of British statesmen and Advocate Generals in England and in Bombay as merely worth nothing at all. By the fact that it has been mixed up with the question of contribution, there is an apparent impression that we have got something out of this Capitation Tribunal. We have got nothing at all. We have lost the entire case regarding capitation which for 14 years had hung in the balance and about which even the Government of Great Britain could not make up its mind. The Capitation Award,—I do not know which Member of the Committee was responsible for it and whether the two Indian Judges and English Judges acquiesced in that Award—the result is that a matter about which the Government of India and His Majesty's Government could not come to an agreement for 14 or 15 years has been treated to be a matter of such puerility, of such simplicity that the Capitation Tribunal turned it down without even a pie being presented to my Honourable friend, the Finance Member.

I should like to have an assurance from the Army Secretary on another question. Does it mean that any further commitments are made because we have received this amount of Rs. 1½ crores? Does it mean that the Indian Army has to be put on a certain standard of efficiency? Does it mean that the programme of mechanisation should be so adjusted and used that if this Army is really taken to the European countries or to any other place for imperial purposes, it should have that efficiency which is required for those purposes? Does it mean that we thereby guarantee that these troops will be equipped merely to the extent that it is necessary for Indian defence purposes, whether that defence arises out of the borders

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of India or within the borders of India, or does it mean that they should be so equipped that they could be used at any moment for the purpose, say, of an European war, quite apart from Indian defence?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Diwan Bahadur A. Ramaswami Mudaliar: If that be so, then, this grant of Rs. 1½ crores would be a grant of a Trojan horse which would have more terrors for us in the future than we are now in a position to contemplate. I sound that note of warning. (Applause.)

Mr. G. R. F. Tottenham: Last year I attempted, in dealing with the Army Demand, to give a somewhat comprehensive review of the retrenchments that had taken place during the past few years, and in consequence I left myself very little time to deal with individual criticisms. This year there appears to be even less time than before, and I shall not attempt any similar sort of review

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can speak till a quarter past one.

Mr. G. R. F. Tottenham: Thank you, Sir. Also a great deal has been said this morning about the Capitation Tribunal, and if I were to reply to all these remarks, it would take the whole of the time at my disposal. I do not, therefore, propose myself to touch on that particular subject, partly because perhaps the Honourable the Finance Member may have a word or two to say about it, but also because I understand that a Resolution on the subject is at present pending in another place and His Excellency the Commander-in-Chief will deal with the whole matter at that time and will also be able to take into consideration the remarks made by Honourable Members this morning.

But I do wish to make a few general observations before dealing with individual criticisms. The first is about this sealed book business. Honourable Members have complained that the Army is a closed book to them, and they have insisted that they must know more about it. I am exceedingly glad to hear it. As I said last year, we on this side are only too anxious to open the book if any Honourable Members really wish to read it. I asked for suggestions last year as to how we could in any practical way help Honourable Members in that respect. From that day to this I have received no suggestions from Honourable Members. No Honourable Member of this House, with the exception possibly of my Honourable friend, Sir Henry Gidney, has asked me any query about how the army machine works or for information in regard to it, except—and I mention this with somewhat bated breath,—as to how the machinery works in order possibly to get an appointment for one of their friends. (Laughter.) However, we on our side have not been idle. We have, I think, made a beginning in the direction that Honourable Members wish, and I am referring now to the series of articles which are appearing at present in a large number of papers in this country. We in the Army Department and in Army Headquarters are responsible for those articles, and I can assure Honourable Members that we have spent a great deal of time and trouble in preparing them. I hope before long to place in the

hands of Honourable Members copies of these articles in pamphlet form. Meanwhile, I do hope that Honourable Members will read them and discuss them as they appear in the press. They contain answers to practically all the general arguments that are raised in this House and some of the particular arguments that have been mentioned this morning. I do not pretend or hope that those answers will be accepted in every case, but I do hope that they will stimulate interest in this matter and that the articles will show that we on this side are anxious, so far as we can, to open the first few pages at any rate of this sealed army book. I can assure Honourable Members, who wish to read it, that they will have a great many pages to read before they have finished. I may also say, as I have said before, that His Excellency the Commander-in-Chief fully realises that the Army in India is paid for by the Indian tax-payer and that, therefore, the elected representatives of the tax-payer have every right to know how their money is being spent. His Excellency has often said to me: "I have nothing whatever to hide; in fact, I am confident that the more Honourable Members know about the Army and its doings, the less will be the criticisms of the expenditure on it." His Excellency is prepared to arrange for meetings with Honourable Members if that idea appeals to them, and we shall certainly follow up the suggestion that has been made by my Honourable friend, the Diwan Bahadur, this morning with regard to the publication of an annual account of the doings of the Army during the year. I may say, even now when operations take place, we do arrange daily press conferences and we give the press as much information as we possibly can. Also, of course, it is the usual practice for His Excellency to write a despatch on operations of any importance, and that despatch is generally published. I am quite aware that the despatch may be rather technical, and we will certainly look into the suggestion that my Honourable friend has made this morning.

I must also say a few words about the general level of defence expenditure compared with the various estimates that have been made and compared with the pre-war level. Honourable Members will find that the whole of this subject is dealt with very fully in the articles to which I have just referred, but I think the real point is this. During the last 20 years there has been an enormous increase in the standards of expenditure, both public and private, and although prices may go back to and possibly remain at pre-war levels, it will be some time before those standards of expenditure follow suit. Meanwhile, there are certain facts which are, or should be, of direct interest to Honourable Members, and I make no apology for repeating what I have said before. England and India are, I believe, the only two countries in the world which have decreased their fighting forces in comparison with their strengths before the War. I believe in England there are now two regular divisions less than there were before the War, and in India we have reduced by something like 50,000 fighting men; and yet the cost of these smaller Armies of today is greater than the cost of the larger Armies before the War. This is due to a large number of reasons which I could not possibly explain in the short time at my disposal, but amongst them there is the undoubted fact that India has developed her administrative services to an extent to which my Honourable friend, the Diwan Bahadur, takes some objection. It is generally recognised in Army circles that, if you are to have a proper Army, you must have a proper balance between your fighting services and the administrative services; and they generally take a ratio of about two to one. That is to say, if you are carrying out retrenchment, two-thirds

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of that retrenchment must fall on the fighting troops and one-third on the administrative services, if you are to preserve the proper balance. And that, Sir, is what we have been attempting to do during the past four or five years. Anyhow, the fact remains that before the War the expenditure on the Army and Air Force in England was about 28½ million pounds, and today it is about 55½ million pounds, that is to say, there has been an increase of about 93 per cent. In India the corresponding expenditure before the War was about Rs. 28½ crores and at present it is something under Rs. 44 crores, if you omit expenditure on the Royal Indian Marine, that is to say, there has been an increase of under 55 per cent. In other countries, to take one or two examples, in Japan, for instance, military expenditure has more than doubled itself, and, in the United States of America, it has nearly trebled itself. That, Sir, is one fact.

Another fact, which, I think, Honourable Members ought to realise, and, regarding which I make no apology for quoting from the
1 P.M. articles that I have referred to, is this. When people talk of the enormous increase in defence expenditure since 1914 and the very large proportion of the revenues of the country that are devoted to that purpose, they imply, consciously or unconsciously, that the position in this respect has grown worse and worse since before the War. They isolate this particular aspect of the national expenditure and forget to look at the picture as a whole. Actually the implication just referred to is the reverse of the truth. India today spends a smaller proportion of her revenues on defence than she did in 1914. In 1914, the total net revenues of India amounted to just under 87 crores of rupees. The corresponding figure in 1932-33 was 174 crores. That is to say, there has been an increase of 100 per cent. During the same period, defence expenditure increased from 29 crores to 46½ crores, that is to say, by a little over 61 per cent., while civil expenditure rose from 58 crores to 128½ crores, that is to say, by about 121 per cent. The proportion of the net revenues of the country devoted to defence fell from 34 per cent. in 1914 to 27 per cent. in 1933, while the share of the civil departments over the same period rose from 66 per cent. to 73 per cent. These figures deserve careful study.

Now, my Honourable friend referred to the estimate given by the Incheape Committee, and I would also add to that an estimate given more recently in regard to the defence expenditure of this country. Sir Walter Layton, who advised the Simon Commission, gave it as his opinion, I believe, that if Burma were separated and were to undertake the cost of her own defence, which was estimated then at about three crores, the Army Budget might conceivably fall to 49 crores in 1933 and 45 crores in 1940. Well, Sir, we are here today in 1934. Burma is not separated and our expenditure is actually below 45 crores. That, Sir, is an important point.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): May I ask the Honourable Member what is the percentage of the expenditure on the Army as compared with the income of the country.

Mr. G. R. F. Tottenham: The figure is 27 per cent. of the total expenditure.

Mr. G. R. F. Tottenham: I have not got the figure here.

Now, Sir, I must turn to certain individual criticisms that have been made. My Honourable friends, Colonel Sir Henry Gidney and Diwan Bahadur Ramaswami Mudaliar, have referred to medical expenditure, and, in doing so, I think they have put their finger on what to me certainly appears to be by far the most difficult and complicated problem that confronts the military authorities at the present time. As a result of criticisms that were made in the Assembly last year, we appointed a special Committee in Army Headquarters to go into the whole question of medical expenditure from the point of view of readiness and preparedness for war. That, Sir, was only one aspect of the problem. The recommendations of that Committee are still under consideration. I hope that they will lead to a certain economy at any rate in expenditure on stores, but the general opinion of those who are directly responsible for the health and efficiency of the Army seems to be, I do not say that the Government of India have accepted that view, that we are not at present over-insured in this matter. Of course it is impossible for us to forget the Mesopotamia Commission, and I would like to read to the House now an extract from what Mr. Balfour said in the House of Commons when the report of that Commission was discussed there. What Mr. Balfour said was this:

“When the war is over, in a very few years, you will find what the Commission called an atmosphere of economy again creeping over us and Honourable Members opposite will be equally unable to imagine that a new catastrophe will require as great efforts from them and the taxpayers they represent.”

I do not mean to suggest for a moment that any such catastrophe is imminent, but there is the inexorable fact that any army in the world must have a larger supply of medical officers and medical personnel in war than it has in peace; and there is also the fact that we cannot possibly face a breakdown in our medical arrangements such as that which occurred during the last War. Then, Sir there is the question of the future of the civil side of the Indian Medical Service, and it is on the civil side of the I.M.S. that the Army at present depend very largely for their reserves. That is a matter that raises the most complicated issues, which have been considered very carefully during the last two or three years. On top of that comes the report of the Warren-Fisher Committee, to which my Honourable friend, Colonel Gidney, referred the other day. That report suggests an entire innovation in the organisation of the Defence Medical Services. It suggests that we should employ a number of short service officers for a period of five years, and that, after that period, we should discharge a number of them with handsome gratuities, and that we should keep on the remainder. That would enable us to reduce the regular cadre and to improve the conditions of service of those who remain. Well, a scheme of that kind might produce ultimately considerable savings in pensions, but there are very grave difficulties in applying it to India, especially to the Indian Medical Service; and there is no doubt that to begin with anyhow it would involve us in considerable extra expenditure. I can assure the House that we are very carefully considering all these problems so far as we are able to do so along with our other multifarious duties. It may be that some radical reorganisation is required of the Medical Services in India and it may be that we ought, in this country, to have our Warren-Fisher Committee corresponding to the Committee in England. If that is so, we shall not hesitate to take such steps

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Meanwhile, there are one or two special aspects of the problem about which I should like to say a few words. One reason why the extent of retrenchment in the Medical Services has not come up to expectations, I should like to explain. The calculations as to the savings to be secured from particular proposals were made on the authorised strength of the establishments as they then stood, and not on the actual strength; and the fact was that in nearly all those establishments the actual strength was at the time considerably under the authorised strength. Therefore, the actual savings secured have not been so great as might have been expected. Then, Sir, there is the question of the Indian Medical Department which my friend, Colonel Gidney, raised the other day. I may say at once that we entirely agree with him that we ought to make a great deal more use than we do of the Indian Medical Department. We ought to have realised that fact some years ago. We were actually engaged in considering this possibility when the report of the Warren-Fisher Committee came along and for the moment threw the whole matter back into the melting pot, but a consideration of the report of that Committee shows that it will be all the more necessary for us in future to make more use of our indigenous material, and I can assure my Honourable friend that we shall give the matter our careful and serious consideration.

Then, there is the question of the nurses which my Honourable friend raised. He gave us some figures which were not altogether correct. He told us that nurses in England received a pay of £70 a year, whereas in India we pay them Rs. 300 a month. Actually it is a fact that the pay of British nurses in England is in the neighbourhood of £70, but in addition to that they get all sorts of allowances,—board and lodging, uniform, fuel, and so on—and I am told that if these are all added on, their net emoluments will be somewhere in the neighbourhood of £170 a year. Then, Sir, the pay of British nurses in this country is not Rs. 300. It is Rs. 265, which is somewhat less. Sir Henry Gidney went on to suggest that, if we were to use Anglo-Indian nurses, we should secure very large savings. There, again, he omitted to mention that the pay of the Anglo-Indian nurses, whom we do employ in our Indian Military Nursing Service, is Rs. 225, which is only Rs. 40 below that of the British nurses. Then, again, it must be remembered that, not only on the military side, but also on the civil side, there is considerable difficulty in securing an adequate supply of fully trained nurses in this country. When I was Retrenchment Secretary in Madras, I had exactly the same trouble about nurses there. It struck me and it also struck the members of our Retrenchment Committee there that the nurses in the hospitals in Madras were receiving very high pay and in addition a very large number of allowances. We made inquiries and we were assured by those responsible that if we reduced their pay and allowances by one pie, the supply would fall off and they would be unable to get the numbers they required.

Sir, there are many other points that I should like to deal with. There was the question of the Indian Army Veterinary Corps. I should like to make it clear that there is nothing political in the matter of the entry of Indians into the Army Veterinary Corps. The Corps is open to Indians, and there is no intention of debarring them from entering it. The fact simply is that so far there has been a difficulty in getting Indians with the M.R.C.V.S. qualification for the vacancies required. We

have got one Indian officer now and we are shortly going to issue rules which I hope will bring in a number of other Indians. Then, there was also the question of the Supply and Transport Corps. I cannot go into details, but I may inform my Honourable friend that we have stopped the recruitment of British Other Ranks in the I.A.S.C., and that will considerably increase Indianisation in due course.

Now, I must say a few words about the point, my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, raised—that is, the war block of officers—and I should like to say at once, and to make it perfectly clear, that this problem has nothing whatever to do with Indianisation or with the receipt of the contribution of £1½ million; and anyone who said so merely showed complete ignorance in associating those two things together. The fact is that this problem is a self-contained problem—and a problem of the most serious dimensions—that has been left to us as a legacy from the past. It arises from the fact that in the Indian Army, Officers are promoted on a time-scale, whereas Officers of the British Army are promoted by vacancy into a fixed establishment. This fact, combined with the natural fact that the intake of Officers during the War was considerably greater than the normal intake, means that we are faced with the fact that before long we shall have a considerable surplus, indeed a large surplus, of senior Officers on the higher rates of pay. It is true that after the War the services of a certain number of Officers of the Indian Army were dispensed with; but not enough. Since then we have tried various voluntary schemes with a view to reducing the surplus, but those schemes also have failed to produce the desired result. Now, there are several alternatives open to us. One obvious alternative is that we might continue the voluntary basis and increase the generosity of the terms offered. Another alternative is that we might resort to compulsion. The whole of this question has already been canvassed fairly fully in the press, and I am particularly anxious at the present moment not to say anything which might possibly create false fears or promote false hopes. All I can say is that the whole matter is being examined very carefully and sympathetically by the Government of India. The Government of India have not yet reached their conclusions. When they have done so, they will forward them to the Secretary of State. It must be several months at least before any announcement on the subject can be expected. Meanwhile I can assure the House that, in considering this problem, we are fully alive to all our responsibilities in the matter—our responsibilities to the Indian tax-payer, our responsibilities to the Indian Army, and the need for preserving its efficiency and popularity, and, above all, our responsibilities to the individual Officers themselves who have a special claim on our consideration because they joined the Army during those critical years of the War.

Now, there is the question of the employment of troops overseas to which my Honourable friend, the Diwan Bahadur, referred. I am afraid I cannot add very much to what I said on this subject the other day during the debate on the Navy Discipline Bill, but I can assure the House that the views of His Excellency the Commander-in-Chief and of the Government of India are sympathetic in this matter. The fact is that neither His Excellency the Commander-in-Chief nor the Government of India have ever regarded that statement by the Secretary of State which my Honourable friend referred to as a definite pronouncement of policy on this subject. It has been assumed here that, so long as the subjects of defence and external relations are reserved subjects, it would

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be constitutionally impossible to give the Legislature or the Federal Ministers of the future the final voice in any matter which fell within the sphere of those reserved subjects. However, Sir, now that the matter has been specifically brought to our attention and we understand that the members of the British Indian Delegation attach great importance to the statement by the Secretary of State, we shall certainly have to take the matter up with the Secretary of State and get the position made entirely clear.

My Honourable friend, the Leader of the Opposition wished for certain information about the Frontier and asked for statistics which, I am afraid, I cannot supply at the moment; but I can supply him with some interesting figures regarding the cost of operations on the Frontier. Before the Great War, there was a considerable period when under the old policy our average expenditure on Frontier Operations was in the neighbourhood of Rs. 50 lakhs a year. Immediately after the War, there came the Third Afghan War and the Waziristan Operations. The cost of these was in the neighbourhood of 11 crores a year. Since then, during the last ten years, our average annual expenditure has dropped from 50 lakhs to something in the neighbourhood of 10 lakhs or under. That, I think, does show the success, from that point of view, of the policy that is at present being pursued.

I do not think I have time to say anything more this morning. I hope Honourable Members will sympathise with me in the almost impossible task of having to defend the whole of Army expenditure and policy in the short space of half an hour. I hope they will also forgive my many shortcomings in matters that I may have left out. I can only say, I should be glad to discuss with Honourable Members individually any points that they have raised and to which I have not replied. Above all, I do hope that although this motion has been moved by the Independent Party, it will be realised that our attitude in this matter is not one of independence, but one of responsive co-operation. (Loud Applause.)

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair

Sardar Sant Singh (West Punjab Sikh): Sir, I thank you very much for giving a very healthy ruling the other day that the Government Members should intervene at an early stage in the debates so that this side of the House may know the mind of the Government and be enabled to meet the Government case. There is no doubt that this imparts a sense of reality to the whole debate. The Honourable the Army Secretary agrees to open a gate of the Army Department which he himself termed last year in his speech as a dark dungeon. Today he has given a happier analogy of opening a few pages of that book to the view of the Members on this side of the House. The Honourable the Army Secretary has accepted responsibility for publication in the newspapers of certain articles

dealing with the defence question. It is a matter of gratification that the Government have felt the necessity of taking the public into their confidence so far as the defence policy of the Government of India is concerned. But probably the Honourable the Army Secretary did not realise that the newspapers published those articles in driblets and it may or may not be within the cognizance of most of us that those articles have been published. So far as I know, only one article has been published in Delhi in the *Hindustan Times*. Even the *Statesman* has not published those articles, with the result that we on this side of the House are not aware of the full defence of the Government of India. My point is that we, who come to this House to level certain criticism upon one of the most important Departments of the Government of India, are entitled to know the defence of the Government of India in advance. It was the duty of the Army Department to have supplied copies of those articles in advance to the Members of this House, so that they might have come prepared to meet the arguments, if necessary, in those articles. I will respectfully ask the Honourable the Army Secretary to enlighten this House on this point: why did he not think it necessary or proper to supply the copies in advance to the Members, so that they might have come prepared to meet his arguments on the floor of this House? The press may be a great means of propaganda for the Government, but the Government must realise that we, the Members of this House, have a prior claim on Government, and not the press. If we are not satisfied with the Government case, it is our duty to oppose the Government so long as the Government do not convince us of the genuineness of their case and we must cast our vote against the Government.

Coming to the second point, the Honourable the Army Secretary has said very little to the charge levelled against the Government from this side of the House, the charge being that the military policy of the Government of India is not the policy of the Government of India, but it is dictated by the War Office. If I am permitted to quote from his speech of last year, which he made in reply to a similar motion of my Honourable friend, Mr. Sitaramaraju, this is what he said:

"The responsibility lies primarily upon the Government of India and their expert adviser. His Excellency the Commander-in-Chief, and ultimately upon His Majesty's Government who are responsible for the safety of the whole Empire."

From this extract it is clear that the responsibility for the maintenance of such a big Army in India is not on the shoulders of the Government of India alone, but it rests ultimately with His Majesty's Government in England. This one sentence conveys that the responsibility is not in the interests of India alone or for the requirements of India alone, but for the safety of the whole Empire. The position is this. Why should India pay for the safety of the whole Empire? We have a serious objection to this aspect of the question. We, in all fairness, ought only to pay for that portion of the British Army which is for the good of India. It is claimed that the Army in India is meant for two purposes, maintenance of internal tranquillity and for external defence. So far as the question of internal security is concerned, my submission is that we do not require such a large Army or such an expensive Army. In this connection, I may say that I do not agree with His Highness the Aga Khan in what he said as a representative of the British India to the Disarmament Conference. He is reported to have said:

"India's scale of armaments allows no margin for aggressive uses"

[Mr. G. R. F. Tottenham.]

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Coming to the second point, the Honourable the Army Secretary has said very little to the charge levelled against the Government from this side of the House, the charge being that the military policy of the Government of India is not the policy of the Government of India, but it is dictated by the War Office. If I am permitted to quote from his speech of last year, which he made in reply to a similar motion of my Honourable friend, Mr. Sitaramaraju, this is what he said:

"The responsibility lies primarily upon the Government of India and their expert adviser, His Excellency the Commander-in-Chief, and ultimately upon His Majesty's Government who are responsible for the safety of the whole Empire."

From this extract it is clear that the responsibility for the maintenance of such a big Army in India is not on the shoulders of the Government of India alone, but it rests ultimately with His Majesty's Government in England. This one sentence conveys that the responsibility is not in the interests of India alone or for the requirements of India alone, but for the safety of the whole Empire. The position is this. Why should India pay for the safety of the whole Empire? We have a serious objection to this aspect of the question. We, in all fairness, ought only to pay for that portion of the British Army which is for the good of India. It is claimed that the Army in India is meant for two purposes, maintenance of internal tranquillity and for external defence. So far as the question of internal security is concerned, my submission is that we do not require such a large Army or such an expensive Army. In this connection, I may say that I do not agree with His Highness the Aga Khan in what he said as a representative of the British India to the Disarmament Conference. He is reported to have said:

"India's scale of armaments allows no margin for aggressive uses"

[Sardar Sant Singh.]

—and that—

“in India we have constantly borne in mind the underlying principle, namely, the maintenance of force that shall be no more than adequate to guarantee peace and order on and within her border.”

This appears in the *Modern Review*. I know that it is invariably given out that the Army is kept for the internal security of India. But, as a matter of fact, Lord Curzon's expression about the duties of the Army in India is more correct than the views of His Highness the Aga Khan. Lord Curzon denied that the purpose of the Army in India was merely to maintain internal peace, and declared that it was also intended to fight the battles of the British Empire. With this object in view, it was kept in readiness to start at a moment's notice for any part of the world. That is a correct expression of the purpose for which the Army is kept in India. My submission, therefore, is that if the Army is kept for the purpose of the Empire, as was made out by the Army Secretary last year, it is not in the interest of India that she should bear the whole burden of the expenditure. In order to illustrate the position that the whole Army is not for the purpose of maintaining the internal security, I may refer to the replies given on the floor of the House when a question was put to the Army Secretary as to how many times the Indian Army troops were called out in 1930, a year of great disquiet, to maintain the internal tranquillity, the reply was that it was only six times and that about 2,500 troops were called out and that too not at one time. Therefore, it would appear that the purpose of the Army in India is not to maintain internal security alone. We on this side of the House expect that we should not be made to pay for the Army which is not here solely for our protection. The Honourable the Army Secretary, at the end of his speech, appealed very forcefully to us that we should respond to the co-operation that is offered by the Army Department. Probably the Army Secretary did not realise the gravity of the appeal that he was making to us. There can be no doubt that we in this House are here in order to give our responsive co-operation, but can the Honourable the Army Secretary say that the same responsive co-operation is forthcoming from the Government side? May I know if the Army Secretary is going to take up the responsibility of responding to the co-operation which is offered from this side of the House? Our one complaint is that the Government do not respond and have never responded to the co-operation offered from this side. The Honourable Member will be shouldering a great responsibility if he can so speak for his Department. You know, Sir, that the whole military policy is controlled by the War Office and not by the Government of India. If he responds to us, he cannot respond to the War Office, for he cannot serve two masters at one and the same time.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Sardar Sant Singh: I will, Sir. If I take him at his word, may I ask him, if he really wants responsive co-operation, is he prepared to lay before this House all the papers which the Government of India placed before the Capitulation Tribunal, so that this House might understand to some extent the case that was laid before the Capitulation Tribunal? If he is not prepared to do so, then it will not be far from truth to say that he tries to hood-wink this House and that all his talk of responsive co-operation is merely a high sounding expression. We are prepared to offer co-operation

from this side of the House if we can expect the same responsive co-operation from the Government side.

One point more and I have done. My Honourable friend said that, in the Veterinary Department, he was prepared to accept Indians to replace the European element. I have just received a letter from a gentleman in the Punjab who writes to say that the same assurance was given in this House in reply to Dr. Moonje's demand and so far nothing has been done in the matter. Qualified veterinary doctors are available in the Punjab who are ready to replace the British element. If they are not taken, at an early date, there is a danger of their being age-barred. Therefore, I submit that this House should make it quite clear to the Honourable Members on the other side that we are very serious in this matter and we do not want that the Indian tax-payer should be burdened with the cost of the maintenance of a big Army in India.

Hony. Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): Sir, I am one of those who sincerely hold, and rather strongly, that this Government is very expensive and the expenses should be cut down everywhere as much as possible. There is a sincere feeling, that some of these services are over-paid and over-staffed. There is over-lapping everywhere, both here as well as in the Provinces, and it is costing the tax-payer very much. As a result of this House pressing for economy, the Government have taken some measures to reduce the expenditure everywhere, but it can safely be said that there is room for more economy in every Department. In this connection, however, if we examine the figures carefully, we come to the conclusion, that if there is any Department which has faithfully carried out the instructions of this House, which has shown marked co-operation with the intentions of this House, it is the Army Department. They have brought down their expenditure to 44 crores which was probably not even in the minds of those who pressed for economy at the early stages, because this drop is not from 50 crores, but from 68 crores as was after the War. So, instead of feeling grateful to the Army Member or to those who are responsible for bringing about this state of affairs, it is most deplorable that we should have chosen this very Department for such a cut.

There is only one aspect of the question to which I wish to draw the attention of the House. Indianisation is going on in every Department and fairly rapidly. Of course we are pressing for greater speed, and it is hoped that in course of time the speed of Indianisation will be accelerated. What we see in the Army Department, is that, unlike in other departments, they have fixed the pay of Indian officers differently from the pay of people recruited in England. The other day the Army Secretary was questioned on this point, rather differently of course, and he gave the reply that the pay and salaries of cadets that would be commissioned from Dehra Dun, would not be the same as those that would come from Sandhurst. There is a lesson here for other Departments to learn. What does the Indian tax-payer gain if Indians who take the place of Europeans get the same salary? He is not relieved at all. One is coming from a distance of 5,000 miles to serve in a different country under uncertain conditions, and is entitled to a higher pay; but there is no point in giving the same salary and insisting upon the same monetary prospects for a man who is serving in his own country.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): Let them not take the trouble of coming here.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: Well, that day is far off when we will be relieved of them, and if they themselves go away, I may remind my Honourable friend, that the state of things here will be sadder than he can depict in his mind's eye.

Sir, I was referring to the expenditure that was being incurred by Indianisation of the services. Now, the ordinary tax-payer does not gain anything if the Indian incumbent of the post gets the same salary as the Englishman. The conditions of the two are different. One is serving in a foreign country under very uncertain conditions, while the other is serving in his own country. To give one example, in order to show the absurdity of the thing, I may point out that I have known a case where an Indian gentleman, who was an Imperial Service Officer, was serving not only in his own Province, but in his own district, and was drawing overseas allowance. He had never crossed the sea, and he had not even seen the sea, because he had not been to Bombay even, and the only place where he had seen the sea was on the map while he was at school. Of course that absurdity has been removed now, but the fact is that Indianisation is costing us the same amount as we were paying before.

There is another aspect which I cannot ignore while on this subject. Indianisation is another name for urbanisation. There are some people who have got a monopoly of these services and the ordinary tax-payer does not get his share. But this is a very broad subject, and I will not take more time of the House than merely referring to it.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Have they got a monopoly in the Army services too?

Hony. Captain Rao Bahadur Chaudhri Lal Chand: My Honourable friend, Bhai Parma Nand, complains of a monopoly in Army services. Before the Great War, there was a monopoly of certain classes in the Army. They fought the Great War, they made a name, not only for India, but for the whole Empire. They fought not only on Indian frontiers, but they went out, and, by their heroic deeds, made India's name what it is today. After the War there was a period, which lasted till the beginning of 1932, during which the Government of India looked as if they were paralysed. The agitators were pressing the Government of India from all sides and the Government of India thought the power was slipping out of their hands. In those moments of semi-consciousness, lasting for about 12 years, the Government of India changed their policy so far as Army recruitment was concerned; and if my Honourable friend, Bhai Parma Nand, or my Honourable friends opposite, move a cut on this change of policy, I would be prepared to go into the lobby with them even if it is a censure on Government. In this change of policy Government have done more than what even the extremists wanted. In 1923, this very House passed a Resolution that the Indian Officers in the Army Department should be drawn from the different classes in proportion to the number of recruits that they supplied. According to that view, each community or each class could claim Officers according to the number of recruits they were to supply. Now, a change has been brought about during this period as a result of the recommendation of several Committees,—including the Skeen Committee of which Sir Abdur Rahim was a member,—that now Soldiering is to be done by the military classes, and Officering is being done or is to be done by non-military classes. The Government are welcome to do research work in this, but surely they cannot play with a whole country, and with

the whole of the Indian Army. What they should do is to select certain units and try this experiment in those units. Otherwise, if, during the period of this research work, any great war comes and India's safety is in danger, future generations will blame us for not having brought this to the notice of the Government of India and for having allowed this change to take place. Sir, I was not going to refer to this question if my Honourable friend, Bhai Parmanand, had not pressed me to do so.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Hon. Captain Rao Bahadur Chaudhri Lal Chand: Sir, efficiency can be sacrificed in any other Department, but certainly not in the Army, and not even in the name of *economy*.

I will now, with your permission, refer to the calls that are being made upon the Army, and I will read an extract from an article in a paper to which reference was made by the Army Secretary:

"47,000 troops were used in the operations of 1930-31 against the Red Shirts and Khajuri Plain Afridis. The terrorist movement in Bengal has made it necessary to transfer two brigades to that part of India and it is hard to say how long they will have to stay there. In addition, troops stood by or were engaged in the prevention or suppression of internal disorders on 118 occasions in 1930-31, 103 occasions in 1931-32 and 29 occasions in 1932-33",

and so on.

This is a fresh call upon the Army, and I hope the Honourable the Army Member will bear this in mind that a simple craze for popularity should not allow him to sacrifice the efficiency of the Army at all.

The Honourable Sir George Schuster: Sir, like every other Honourable Member, who has taken part in this discussion, I speak under the handicap of shortage of time, and that really makes one's task in dealing adequately with all the wide issues, that have been raised, an extremely difficult one. I am going to confine myself practically entirely to special points where specific questions have been raised. I will deal with the speech of my Honourable friend, Mr. Ramaswami Mudaliar, first.

One of the points which he made was that we have not yet really achieved even the standard of economy which was set up by the Inchaape Committee. I hardly think it is really very material to consider whether or not we have achieved a standard set by a retrenchment committee which examined these matters a very long time ago. We certainly would not ourselves take our stand on a position of that kind. But as my Honourable friend has raised the point, I must say something about it. First of all, he made, what, I hope he will excuse me for saying, was a mere debating point, a point hardly worthy of the rest of his speech. He said that the Inchaape Committee had made recommendations which would bring about a reduction in the total *net* budget to 57½ crores in 1923-24, and that they further stated that they thought that the military expenditure after a few years ought to be brought down to a sum not exceeding 50 crores. He said they talked about net expenditure in the first place quite expressly, and, therefore, as they did not expressly say *net* in the second place they meant that the 50 crores should be 50 crores *gross*. I would invite my Honourable friend to read the whole of the

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passage on military services: he has quoted from the summary of recommendations at the end, but if he reads the whole passage, I think he will be unable to avoid the conclusion that they have throughout spoken of net expenditure and made no distinction between net and gross expenditure. I invite my Honourable friend to read the report again and, I am sure, he will not raise this point again. Apart from that, I want to say a few words on that question of net and gross expenditure. We always talk, when we talk in connection with the budget about military expenditure, in terms of net expenditure, and net expenditure really gives us the figure that we require. On the receipts side, there are two important classes of items. In the first place there is now that big payment of two crores on account of the military contribution which comes from His Majesty's Government. That, of course, has swollen the receipts side in the next Budget very considerably. Secondly, there are a number of items of expenditure in India. The most important class of receipts are receipts from sale of stores, grass and dairy farms—27 lakhs—, medical stores to civil—84 lakhs—, ordnance and clothing partly to Army personnel and partly to other Governments—83 lakhs—, provisions, grant, etc.—18 lakhs. The total of these items comes to 164 lakhs which is about 3/5ths of the total receipts on the Indian side. In all those cases, those receipts represent the sale of articles which it costs money to produce, and the cost of producing which is included in the expenditure side of the Budget. If there were no market for these articles, they would not be produced, and there would be a corresponding saving on the expenditure side. It suits the Army to have a larger turn-over and to increase its production in that way and dispose of a certain number of articles outside. I think my Honourable friend will admit that in view of these circumstances—seeing that on the one side the gross expenditure goes up if the sale of these articles increases while the receipts on the other side also go up,—it is the net expenditure figure that we want to look at.

Another similar large item in the receipts side as recoveries on supply of water and electricity—23 lakhs—which again represents recoveries for services rendered which are represented by items of expenditure on the expenditure side. The Army authorities are always ready to give the fullest possible information on all these points, and I think my Honourable friend, when he goes into the matter, will satisfy himself that it is the net expenditure figure that really counts.

Then, my Honourable friend gave another figure—I forget in what connection he brought it forward—but obviously it must have suited one of his arguments: he referred to the Army expenditure in England being on the scale of something like £25 millions. I do not know where he got that figure. The net disbursements in England are 8,84 lakhs in the next year's Budget or about £6½ millions, and, therefore, if my Honourable friend based an argument on the fact that they were spending £25 millions in England, I am afraid his argument was not worth very much.

Another point made by my Honourable friend was that out of the whole Tribunal which was originally contemplated as a Capitation Rates Tribunal, we got absolutely nothing on the strict Capitation Charges issue, and he put that forward as an illustration of the failure of the whole of our tactics in this matter. As a matter of fact, my Honourable friend was not strictly correct, because, as regards the Capitation Charges, we gained £150,000 per annum, that is Rs. 20 lakhs, on the Army charges,

while we lost £92,900 on the Air Force charges, so that we actually had a net gain of £57,000 on the whole Capitation issue taken by itself. But the issue really went much further than that, and I want to remind the House of this that as regards the Capitation Rates dispute we went to the Tribunal on the defensive. The whole position for the last three or four years had been that we had been resisting most persistent demands for an increase in the charges on behalf of the War Office and I think I am disclosing no secrets when I say that for the last two or three years—it really goes back further than that, because the issue came up almost immediately after I myself came out—the India Office had been advising us to agree to an additional payment of £300,000 per annum, that is to say, 40 lakhs, as a compromise which would enable it to get out of an awkward situation very cheaply. We have escaped that charge, we have resisted that demand, and we have established our case, and in fact even on the Capitation Charge issue by itself we have gained £57,000 per annum. I cannot regard that as a failure. My Honourable friend thought that it was a tactical mistake to raise the other issue before this Tribunal. Well, Sir, a tactical mistake which leaves one with a net gain of very nearly two crores is a sort of mistake which I am rather glad to make, and I should always be glad to have opportunities of making mistakes of that kind. I think, Sir, that by raising that other issue we assured ourselves of a really substantial success which on the Capitation Charge issue alone we could not achieve.

Now, Sir, reverting to the speech made by my Honourable friend, the Leader of the Independent Party, before I turn to his main issue, I just want to deal with one or two points. One of the questions which he asked was "What about the Frontier policy? Are the Government of India getting any benefit from this so-called policy of peaceful penetration; are they continuing their efforts at economy on the Frontier",—and I think probably my friend, in mentioning that matter, had in mind not merely military expenditure, but the whole of the connected expenditure which comes under the head "Watch and Ward". Well, Sir, the Army Secretary has given certain figures to show how the cost of annual raids and operations of that kind has gone down. As regards Frontier Watch and Ward, I am not in a position to give the House exact details today, but I can assure my Honourable friend that we are persistently following up that issue, that we have throughout the last year been in close contact with the officials on the Frontier on the possibilities of further reduction in expenditure under the head of "Frontier Watch and Ward", that we already have quite substantial economies in view, and that we shall not cease the Government of India will not cease, to pursue that matter, for they recognise that it is one of the areas of expenditure in which a further economy should be sought.

Then, another point raised by my friend was as regards the remarks which I made about the basis of the present Army Budget. I pointed out that the present figure of 44 crores and 88 lakhs should not be regarded as a permanent level of standing charges for the Army. In putting those considerations before the House, I was influenced entirely by the desire to be fair on the one side to His Excellency the Commander-in-Chief, and, on the other side, to the Members of this House. We claim that we have achieved a very substantial economy, but we do not want to claim more than what we have achieved, and I thought it was only honest to let the House know that although the Budget is down now to 44 crores 88 lakhs,

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it has only been reduced to that figure as a result of certain special economies, all of which cannot be looked upon as regularly recurring economies. The five per cent. cut in pay, of course, is an obvious case, and my friend mentioned the other points to which I referred . . .

Sir Abdur Rahim: What is the real permanent reduction? I think he referred to it in one portion of his speech.

The Honourable Sir George Schuster: That is a question which I, as Finance Member, will certainly not answer, because, I would say, here we are with an Army Budget of 44 crores and 38 lakhs. I know that that position has not yet been a permanent one. Some of the economies are economies which cannot be repeated for ever, but I would not go on from that to say that because some of the expenditure must be restored, therefore balancing economies of a more permanent nature may not be found. My friend is surely aware of the fact of the struggle, a much more realistic struggle than that in this House, which goes on between the Finance Department and His Excellency the Commander-in-Chief,—it is a very friendly struggle, but we all recognise that the fact that some of these economies which have already been achieved, the fact that they are not permanent economies, is a reason for going on looking for economies, for continuing the search for economies which will really be of a permanent nature, and I can assure my friend that this is recognised by His Excellency the Commander-in-Chief, and he has not given up the search for economies just for the very reason that some of those, which he has for the present achieved, cannot be permanently retained.

Now, the last point is the most important point of all, and that is the question of the issue of the justice of the decision of the Capitation Tribunal, and of the Government of India's attitude in having accepted His Majesty's Government's interpretation of that decision. As my friend, the Army Secretary, pointed out, His Excellency the Commander-in-Chief will have an opportunity in another place of dealing very fully with that issue, and I commend his speech, when it is made, to the attention of all Honourable Members. I only want to make one very short point. The whole of the argument of the Honourable the Leader of the Opposition was this: "India is now, on everybody's admission, maintaining more troops than she requires for her own defence. If that is the position, then surely His Majesty's Government ought to pay a substantial contribution." Sir, if that was the position, I should have come across the floor of the House and joined my friend and tried to make a speech on exactly the same lines as he has done. But that is exactly what the position is not. I would remind the House of this, that the whole of this Capitation Tribunal's award is based on the foundation that the present Army in India does not contain a man more than India needs or her own purposes. and, moreover, those purposes are purposes of a limited nature; they are the purposes of fulfilling the minor obligation of defence, that is to say, the maintenance of internal security and protection of India's frontiers against local aggression, and that is the only responsibility which India carries. The responsibility for the major danger of an attack by a great power

upon India or upon the Empire through India is carried by His Majesty's Government and cannot be carried by the forces that we now maintain in India. Now, Sir, the result of the finding of the Tribunal is this, and, as I said on another occasion, it is much more favourable than Honourable Members give it credit for. The finding is this. India is only responsible for what I have described as the minor danger. Every soldier that is now in India is required for guarding India against that minor danger and yet in spite of that because the maintenance of British troops in India has some value to the British Empire, because of its value as a training ground, for that reason and for that reason alone His Majesty's Government will contribute a substantial sum to the Indian Exchequer. Now, Sir, on that statement of the case, which is a true statement of the case, I do submit that a contribution of a million and a half per annum, although we all know that we ourselves asked for more, is a very substantial payment

Sir Abdur Rahim: How much more did my Honourable friend ask?

The Honourable Sir George Schuster: That is a question which is not easy to answer, because we put up the case on various and different grounds, and I think my friend will admit that if the basis for the claim is that rather intangible basis that I have described, the value to the British Government of having British troops maintained in India and the value of the training that that gives, it is very difficult to find an exact basis for assessing that advantage. But the point that I want to make in conclusion is this, that if my friend has a complaint, then it is a complaint not against the Capitation Tribunal, but a complaint against the experts, the military advisers of the Government of India and the military experts at Home who, having examined the situation, have reached the conclusion that the present military forces in India are not more than are required for India's own purposes. Now, Sir, I would put it to my friend that it is very difficult to go behind the advice of the military experts in a matter of that kind. I fully recognise that Honourable Members opposite wish to be satisfied on these matters. My friend has asserted that if we had a national Government, there would be a very different story to tell. I venture to prophesy, Sir, that if there were a national Government today carrying responsibilities, fully understanding the dangers, they would not desire to reduce the fighting strength of the Army in India today

Sir Abdur Rahim: We only want a contribution

The Honourable Sir George Schuster: It is on that basis, I think, that the whole matter must be considered. Sir, I have nothing more to say, and I would only again remind the House that the whole of this subject will be more fully and better dealt with by His Excellency the Commander-in-Chief in a very short time.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the demand under the head 'Army Department' be reduced by Rs. 100."

The Assembly divided:

AYES—43.

Abdul Matin Chaudhury, Mr.
 Abdur Rahim, Sir.
 Anklesaria, Mr. N. N.
 Azhar Ali, Mr. Muhammad.
 Badi-uz-Zaman, Maulvi.
 Bhuput Singh, Mr.
 Das, Mr. A.
 Das, Mr. B.
 Dutt, Mr. Amar Nath.
 Gour, Sir Hari Singh.
 Jadhav, Mr. B. V.
 Jehangir, Sir Cowasji.
 Jog, Mr. S. G.
 Joshi, Mr. N. M.
 Krishnachariar, Raja Bahadur G.
 Lahiri Chaudhury, Mr. D. K.
 Lalchand Navalrai, Mr.
 Liladhar Chaudhury, Seth.
 Mahapatra, Mr. Sitakanta.
 Maswood Ahmad, Mr. M.
 Mitra, Mr. S. C.
 Mody, Mr. H. P.

Mudaliar, Diwan Bahadur A.
 Ramaswami.
 Murtuza Saheb Bahadur, Maulvi
 Sayyid.
 Neogy, Mr. K. C.
 Pandit, Rao Bahadur S. R.
 Parma Nand, Bhai.
 Patil, Rao Bahadur B. L.
 Puri, Mr. Goswami M. R.
 Raghubir Singh, Rai Bahadur Kunwar.
 Ranga Iyer, Mr. C. S.
 Rao, Rao Bahadur M. N.
 Reddi, Mr. P. G.
 Reddi, Mr. T. N. Ramakrishna.
 Roy, Kumar G. R.
 Roy, Rai Bahadur Sukhraj.
 Sant Singh, Sardar.
 Shafee Daoodi, Maulvi Muhammad.
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Sohan Singh, Sirdar.
 Thampan, Mr. K. P.
 Uppi Saheb Bahadur, Mr.

NOES—54.

Abdul Aziz, Khan Bahadur Mian.
 Ahmad Nawaz Khan, Major Nawab.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Bagla, Lala Rameshwar Prasad.
 Bajpai, Mr. G. S.
 Bhore, The Honourable Sir Joseph
 Chatarji, Mr. J. M.
 Clayton, Mr. H. B.
 Cox, Mr. A. R.
 Dalal, Dr. R. D.
 Darwin, Mr. J. H.
 Dillon, Mr. W.
 Ghuznavi, Mr. A. H.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Haig, The Honourable Sir Harry.
 Hardv, Mr. G. S.
 Hezlett, Mr. J.
 Hockenbuhl, Mr. F. W.
 Hudson, Sir Leslie.
 Irwin, Mr. C. J.
 Ishwarsingji, Nawab Naharsingji.
 Ismail Ali Khan, Kunwar Hajec.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir
 Lal Chand, Hony. Captain Rao
 Bahadur Chaudhri.
 Lindsay, Sir Darcy.

Mackenzie, Mr. R. T. H.
 Motcalfe, Mr. H. A. F.
 Millar, Mr. E. S.
 Mitter, The Honourable Sir Brojendra.
 Morgan, Mr. G.
 Mujumdar, Sardar G. N.
 Mukharji, Mr. D. N.
 Mukherjee, Rai Bahadur S. C.
 Noyce, The Honourable Sir Frank
 O'Sullivan, Mr. D. N.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi
 Rajah, Rao Bahadur M. C.
 Ramakrishna, Mr. V.
 Rau, Mr. P. R.
 Row, Mr. K. Sanjiva.
 Ryan, Sir Thomas.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar,
 Captain.
 Singh, Mr. Pradyumna Prashad.
 Sloan, Mr. T.
 Studd, Mr. E.
 Suhrawardy, Sir Abdulla-al-Mamin.
 Ta'ib Mehdi Khan, Nawab Major
 Malik
 Tottenham, Mr. G. R. F.
 Y'akub, Sir Muhammad.

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment, during the year ending the 31st day of March, 1935, in respect of 'Army Department'."

The motion was adopted.

DEMAND NO. 28—EXECUTIVE COUNCIL.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 73,000 be granted to the Governor General in Council to defray the charges which will come in course of payment, during the year ending the 31st day of March, 1935, in respect of 'Executive Council'."

Federal Finance.

Mr. B. Das (Orissa Division: Non-Muhammadian): I beg to move:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

My object is to raise the question, the complicated and complex question of federal finance which has never been discussed on the floor of this House. With the imminence of the new Reforms and with the imminence of the Provincial Constitution in the year 1935, and with Federation in the offing in 1936-37, it is time that this House expresses its opinion on the intricate subject of Federal Finance which has been the subject of discussion before three Federal Finance Sub-Committees and various other Committees. The White Paper suggested that, after the Constitution was drafted by the Joint Parliamentary Committee, there would be a Financial Relations Committee to go into the question of the financial relations between the Provinces and the Centre. Thereafter, the Secretary of State, in making a statement before the Joint Parliamentary Committee, suggested:

"We can never make definite estimates until the last moment, and, at the last moment, there must be an expert inquiry into the financial position with a view to the readjustment of that position, if readjustment was rendered necessary by the conditions of the time."

The Percy Committee report gave out certain system of allocation of finance between the Provinces and the Centre which was examined by the Peel Committee of which my Honourable friend, Sir Cowasji Jehangir, was a member. In that Committee, my Indian friends were so much afraid of the representatives of the States that they agreed to an unholy pact which this country has never approved and will never approve. I wish to draw the attention of Honourable Members to the very well written memorandum on Indian Finance which Sir Malcolm Hailey, on behalf of the Secretary of State for India, submitted to the Joint Parliamentary Committee, in which he analysed the financial position, taking into account everything that has happened up to date. Regarding the unholy alliance and the unholy pact, which the members from British India entered into with the Indian States, Sir Akbar Hydari stated before the Joint Parliamentary Committee in No. 8023, when speaking on behalf of the States, as follows:

"The British India budget, Central and Provincial, as a whole, including the budgets of deficit provinces, was a balanced one, the Indian States could immediately enter the Federation on the basis of the *status quo*, as then existing, so far as

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Finance was concerned. Secondly, that the White Paper proposals concerned may be accepted provided that (a) the prescribed percentage to be retained by the Federation under paragraph 139 of the Proposals is not less than 50 per cent ; and (b) that it is understood that the White Paper proposals in paragraph 139 empower the Governor General in his discretion to suspend beyond the ten years reductions of assignments to provinces, etc., etc."

Then the States will contribute funds by Corporation Tax if the Federal Government is in need of further finance. I cannot understand why British India should pay such a price to those members of the Indian States so that they can join the Federation as ornaments. The price is 50 per cent of the personal income-tax. Under what pretext? That debts were incurred. Was not 50 per cent of those debts incurred in conquering the princes by the East India Company and the British Government. The States are as much responsible for those debts as we are. Anyway, I am thankful to the Secretary of State for making a statement before the Joint Parliamentary Committee that every province would be allowed to start with an even keel. He also wanted that the Centre and the Provinces must have funds and resources, so that they can have development in the future, but since then an alarming situation has arisen. There has been the Burma Joint Parliamentary Committee report. The European Chamber's representative stated there that Burma would have a surplus of a crore and a half when separated. The Indian representatives mentioned that Burma would have no surplus at all, and with the 2½ crores of rupees as any expenditure, if Burma is separated, Burma would be landed with a deficit of so many crores. That is not our concern. If Burma wants separation, let her be separated, but my friends, the representatives of the European community in India, have demanded that there should be a free trade agreement whereby Indian revenues would be very much taxed. I should not want any free trade with Burma, nor any kind of favoured nation treatment to Burma. Burma wants to be the son-in-law of India as Britain wants to be the father-in-law of India.

Diwan Bahadur A. Ramaswami Mudaliar: What is the relationship between Burma and Britain then?

Mr. B. Das: Both the father-in-law and the son-in-law are not wanted here. After the Meston Award in 1920, my surmise is that there will be a Schuster Award next year and my Honourable friend, unless he becomes by that time Lord Schuster and goes somewhere as Governor, he will come back here as President of the Financial Relations Committee, and what will be the recommendation of that Schuster Committee? That is what I am going to bring to the notice of the House today. My friend has already exhausted those resources which were left for the Federal Government to handle,—and what were the resources which the Percy Committee wanted?

Mr. President (The Honourable Sir Shammukham Chetty) The Honourable Member is going to discuss what the Schuster Commission's recommendations will be.

Mr. B. Das: I am only indicating that the possible Schuster Commission will look with apprehension upon the fact that the Finance Member Schuster has already exhausted all the financial resources of India which the Schuster Commission will be called upon to allocate.

The Honourable Sir George Schuster: In view of my Honourable friend's statement as to the future, may I ask you to allow me to absent myself from this discussion, as I ought not to undertake my task in a biased frame of mind (Laughter.)

Mr. B. Das: Sir, already we have had much talk upon the defence expenditure. I was pained to hear the speech of my Honourable friend, the Finance Member, this afternoon. Only the other day when he participated in the debate on the Report of the Capitation Tribunal, he said that Honourable Members opposite had every right to press and demand more from the British Government, but today he let the cat out of the bag and said. "No, on one particular issue this one crore and 50 lakhs is enough for you, gentlemen, do not demand anything more". Sir, we cannot bow to that and the Honourable the Finance Member must get us 20 crores. The Government of India's demand was for £10 million, then £18 million, and so on, and I would be satisfied with 20 crores and nothing less. Then, the Honourable the Railway Member has repudiated the contribution of railways to the general revenues. The Percy Committee took no note of it, the Hailey Memorandum made casual reference by stating that "sometime the general finances will improve". I want an assurance, Sir. I asked that question the other day, but my Honourable friend had no time to reply. Today his reply will, I hope, be on the point whether in any future allocation of Federal Finances and Provincial Finances that sum of five crores from railways will be taken into account so that the Provinces will get relief.

Then, there are certain outstanding questions regarding pre-reform irrigation debts which the Hailey Memorandum refers to and which I referred to last year some time. There are certain canals which do not exist in Orissa, the North-West Frontier Province and the United Provinces. This Memorandum was placed before the Peel Committee and the Third Round Table Conference, we do not know with what result. The Hailey note makes no mention of it, nor is it to be found in the evidence of the Secretary of State. I want to know whether the Government of India have come to any conclusion and what views they are going to place before the next expert Committee as to how these pre-reform irrigation debts and particularly those with non-existing assets should be wiped out. Sir, these are minor adjustments, but my biggest grouse is against the Indian States. Why should India contribute for ever and pay this penalty of five crores of rupees of income-tax which will relieve so much and wipe out the distress of my Honourable friend, Mr. Mody, and my Honourable friend, Sir Cowasji Jehangir? Sir, I have my full sympathy in this matter with the Bombay Presidency who are the losers. (Hear, hear.) But why did my friend, Sir Cowasji Jehangir, and my friend Diwan Bahadur Ramaswami Mudaliar, bring about this unholy alliance with those princes? If you wanted a Federation, be honest about it and go about it in an honest way. If we have to contribute half of our income-tax, let the princes and their subjects pay similar taxes too. If they do not pay, I do not care about this Federation. Let there be a Central Government and Provincial Autonomy and I will welcome that.

Mr. N. M. Joshi (Nominated Non-Official): It is about five years since the First Round Table Conference started.

Mr. B. Das: Did my friends protest in the Third Round Table Conference that this was a price which British India was not willing to pay? Sir, as a preliminary to the Federation, the British Government wanted a Reserve Bank. Now, both the Houses have given the British Government and my Honourable friend, the Finance Member, a Reserve Bank. So there is nothing left and wanting. The Secretary of State's Memorandum contains a loss of a crore and a half owing to the establishment of the Reserve Bank, because the receipt on account of currency will be reduced, but my Honourable friend has made a different provision. My Honourable friend thought that by giving five crores of rupees in securities to the Reserve Bank for its reserve there would be no deterioration in the revenue of the Federal Government. So there is some improvement in finance, more than what has been proposed in the Hailey Memorandum. But, as I said the other day, my Honourable friend has already encroached upon those taxes,—*e.g.*, matches, tobacco and other things.

I must state here that in respect of one Budget provision—the relief to Bengal—I am entirely in agreement. The step which the Honourable the Finance Member has taken is a little step, but a step in the right direction, because, if I may quote just a few lines from a speech which Sir Samuel Hoare made in the House of Commons, he also, it will be found, alluded to that:

"My own view which is supported by many of my expert advisers is that the Federal Government would not cost substantially more than the existing Central Government and that the problem of adjusting the finances between the Centre and the provinces is much the same whether federation is set up, whether provincial autonomy is started, or whether we keep the centre as it is now."

Some criticism was offered as to why the Bengal Government got the relief. So the considered opinion of the Secretary of State answers that. Now, Sir Samuel Hoare, in presenting the Hailey Memorandum before the Joint Parliamentary Committee, made certain observations, and he said that "at least 10 crores are needed for the cost of the Federation" and he went on to observe:

"The first fact is that the greater part of this deficit, call it, if you will, from six crores to ten crores, is due not to the setting up of the Federal Government in the Centre, but to the setting up of autonomous Provinces upon a self-supporting basis."

Sir, if the Provinces demand a self-supporting basis,—and a start has been made—and if somehow the new Constitution will be delayed, I want that in the next year's Budget the Provinces should get full assistance so that they can start on an even keel. Then, Sir Samuel Hoare observed:

"Next, the second fact that emerges is that a very small part of this deficit, take it if you like at the highest figure, say ten crores, is due to actual fresh expenditure. If you analyse the figures, you will find that apart from a comparatively small sum, *viz.*, about three quarters of a crore for setting up the new machinery in the Provinces and a figure of about the same amount for setting up the Federal Institutions in the Centre, the rest of this amount is not fresh expenditure at all and it is due in the main to two changes in the allocation of the revenues of India, namely, first of all, the change, supposing Burma is separated from India, of leaving Burma two or three crores that it now contributes to the Indian Central Government. Secondly, it is due to a figure of about the same amount—some two crores—that is necessary, whether changes take place in the constitutional field or whether they do not, to put a stop to the permanent deficit in Bengal and the permanent deficit in Assam."

Sir, I am prepared to give more help to Bengal and Assam than I need give. But the point that emerges from this discussion is this. Burma is going to be separated, but the Burma finance, as I have studied it, and as

it was discussed by the Indian as well as European delegates before the Joint Parliamentary Committee, will show no signs of improvement. We do not want that Burma should get any assistance at the cost of the Federal Finance or at the cost of the Provinces who are looking forward to the new Constitution to start for a new era of prosperity and development. The second thing that emerges is that there are certain Federal taxes which should be explored and the allotment of finance between the Provinces and the Federal Government should be gone through. Whether it will be the Schuster Award or some other award, we do not know, but the present Finance Member and his successor, until that award is made, should not draw on those taxes as my Honourable friend has drawn this year. I do not want my Honourable friend to take shelter under another recommendation of the White Paper, namely, that if the financial conditions prevent the new Constitution from coming into existence, the British Government will take steps to invite a few Round Tablers and other gentlemen to England and consult with them. My fear and apprehension is that my Honourable friend, the Finance Member, has already drawn on this reserve, and if my Honourable friend is not careful, then we will find that there will be a stampede on the floor of this House and outside in the country for approaching the Honourable Members of the Treasury Benches to pay another visit to England to plan out when the new Constitution can be ushered in. I hope my Honourable friend, the Finance Member, will answer categorically, point by point, the points that I have raised in this discussion.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): Sir, only a few days ago I narrated before this House the deplorable story of the Finances of Assam. I am very grateful to the House for the indulgence and the sympathy with which they listened to our grievances. I, therefore, hesitate once again to revert to that subject and to inflict another speech in this House on the financial condition of Assam. But my only justification is that while on the last occasion I dealt with the finances of Assam as they are today, on the present occasion I want to examine the financial position of Assam as it will be under the Federation.

The Percy Committee found, in the course of their investigation, that the deficit in Assam under Federation would amount to 65 lakhs of rupees, and they proposed to meet that deficit by allotting to that Province its share of the income-tax. According to their calculation, this would come to Rs. 29 lakhs, so there would still remain a deficit of 36 lakhs of rupees. Now, the calculation of the 29 lakhs of rupees as Assam's share of the income-tax is based upon an inadequate material as Assam does not get the full credit for the income-tax that it actually pays. Everyone knows that Tea is our principal industry and the largest amount of income-tax is collected from the tea companies. Now, most of these European companies have got their headquarters in Calcutta and it is Bengal and not Assam that gets the credit for the income-tax that is collected from the Assam tea industry. Then, again, there are sterling tea companies which have got their headquarters in London, and Assam gets no credit for the income-tax that is collected from those companies. Therefore, this estimate of 29 lakhs of rupees as Assam's share of the income-tax is an under-estimate, because it does not take into account the income-tax which is

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paid by the Assam tea companies either in Bengal or in London, and I hope, in any future distribution of income-tax, this fact will be taken into consideration.

Now, the Percy Committee found that Assam's position was rather peculiar; that it was an undeveloped Province and that it had no resources to raise capital to develop itself. They could not solve the problem of balancing the Budget of Assam and they recommended that some loan should be granted to Assam from the Federal revenues to enable the Province to develop herself. But that does not solve our problem of balancing the Budget, and I will again most respectfully suggest that the restoration of the petrol duty is the only way by which the Budget of Assam can be balanced and Assam can be put on the path of prosperity and progress. If we examine the position of Assam under the White Paper scheme of the financial arrangement between the Provinces and the Centre, we find ourselves in no better position. Under the White Paper scheme, land revenue, excise, stamps and forest are made the principal sources of provincial revenues. In our Province, land revenue, excise and forest are also principal heads of income, but unfortunately in recent years even these sources of income are showing a very marked deterioration. Our Province unfortunately is a victim of periodic floods and earthquakes. Sir, some years ago, an Indian Finance Member described the Indian Budget as a gamble in rains: the Assam Budget is a gamble in floods. Every year we have got floods either on a major scale or on a minor scale. The last flood in 1929 cost the Assam Government 35 lakhs of rupees and though in recent years we had no earthquakes on a devastating scale just as Bihar has had this year, during the last year, in one particular district, Goalpara, we had over 300 tremors of earthquake causing considerable damage to land and property. Even our Government House at Shillong is built as a wooden bungalow as a precaution against this perpetual menace of the earthquakes. Then, Sir, our land revenue has been dwindling from Rs. 1,20 lakhs in 1931 to Rs. 1,13 lakhs this year, and the income from our forest has also fallen from Rs. 35 lakhs in 1931 to Rs. 14 lakhs this year.

The only other principal source of revenue is the Excise, and there also the position is rather peculiar. Our revenue from excise is derived mainly from the excessive use of opium, and this excessive use of opium has undermined the health of the population of Assam. The Indian National Congress had instituted a Committee of Inquiry under the presidency of Revd. Andrews to inquire about the opium habit in Assam, and this Committee has recommended the total prohibition of sale of opium in Assam except for medicinal purposes. I am sure, Honourable Members will not expect that Assam should raise revenue by drugging its population. The Assam Government has also adopted a very humane policy of registering the opium addicts, rationing their supply and they have adopted a programme of eradicating this evil during the next ten years. This means that the excise source of revenue will be extinguished in a few years. With land revenue and forest income falling and excise disappearing, our position under the Federation becomes very much worse than it is today. If I am permitted to repeat the burden of my song, I would say "give us petrol duty, and it will solve all our difficulties". There is another aspect of the question and, it is the last point that I want to make. In the White Paper proposal, a large portion of Assam has been treated as totally excluded area. It comprises five hill districts, and it will be

outside the pale of the Provincial Legislature. The Secretary of State admits that grants will have to be made from the Central Revenues for the administration of that area. I should like to read to the House extracts from what the Secretary of State said in this connection. In reply to Major Attlee, this is what the Secretary of State said. Major Attlee asked:

"One further question and that is with regard to finance. Have you considered the possibility of making some kind of grant from Central Revenues to Provinces which are burdened with a deficit, such as Bihar and Assam?"

The Secretary of State replied:

"We have not only considered the necessity of a grant of that kind, but we are actually proposing it in the case of Assam. Assam is the only case in which we are making a proposal of that kind, and we are assuming a substantial grant to Assam for the backward tracts from the Federal Centre."

Then, again, in reply to another question of Major Attlee, the Secretary of State said:

"We felt that we could not go further than to make this proposal for Assam, in view of the general state of Indian finances and we felt justified in making the proposal in the case of Assam, first of all, because the tracts are of great extent and involve a considerable sum of money, and, secondly, because Assam is a frontier district. A grant of that kind could be justified upon the ground of defence, just as a grant is needed from the Federal Centre to the North-West Frontier Province Administration."

On the question whether this grant should be made annually or should be permanent, this is what the Secretary of State says. Sir Austen Chamberlain asked:

"I thought the Secretary of State said in answer to me a moment ago that the affairs of the totally excluded area would neither be votable nor discussable."

The Secretary of State, in reply, says:

"Yes, I did, and I contemplate that the provincial subvention would certainly not come up for discussion in the Federal Legislature year by year. I am assuming that these subventions, for instance, to Assam and Bengal would be made once for all."

Sir Hari Singh Gour then asked him:

"They might be made once for all, but they are always part of the annual budget as Sir Malcolm Hailey will point out."

Sir Malcolm Hailey replied:

"No; they would not come up in the annual budget if, for instance, instead of being made, in the form of grant they were made in the form of a share of taxation as in the case of the jute tax. It depends on the form in which it is made."

Sir Hari Singh Gour again asked:

"The form is uncertain; therefore, I say, so far as the Federal Legislature is concerned, it cannot be precluded from discussing these questions when it is to finance the administration of the excluded areas."

The Secretary of State replied:

"It would depend entirely on the form that the subvention takes. If it took the form of an assignment of taxation, as it might very well do, then it would not appear in the budget in a form which would render it liable to discussion."

The Secretary of State was undecided as to the form that subvention to Assam should take. Our demand is that it should take the form of an assignment of the petrol duty to us.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, the subject of Federal finance has had a peculiar fascination for me, and if my limited study has taught me anything, it is this that there are no hard and fast financial principles applicable in the case of all the systems of federation that are at the present moment working in this world.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Now, so far as the particular system of Federal finance that has been evolved in a particular country is concerned, it will be found that it is the result to a large extent of the historical circumstances governing that particular administration. In very many federations, for instance, the federal units existed as separate entities independently administering their own affairs before they came together in the form of a union or a federation for certain well-defined purposes. So far as India is concerned, the process is absolutely the reverse. Here, from the Mughal times onwards down to the year 1920, it was a highly centralised administration that was in charge of the entire Government of this country. The Central Authority was practically the sole administering authority in the country and if they had divided the territory into different Provinces, it was merely for the facilitation of administration. The Provincial Administrations were all mere agents of the Central Authority. They had no separate entities of their own, either in finance or in administration, enjoying powers only by way of delegation, having their expenses strictly defined by the Central Authority, having their revenues strictly rationed. The change towards a federal system of finance began in the Constitution of 1919 which is now in operation; and here what strikes one is that whereas in the administrative sphere, the position assigned to the Provinces was hardly one of independence as would be contemplated in a scheme of provincial autonomy, but that in the financial sphere there was a partition of revenues as between the Centre and the provincial units, so complete that we do not find its parallel in the history of federal finance anywhere in the world. I remember the reasons that the Montagu-Chelmsford report put forward in favour of that system of financial partition and I also remember the extent to which that principle was endorsed first by the Meston Committee and next by the Parliamentary authorities with slight modifications. But if anything is clear today, it is this that that particular system, which was devised by the Montford report and which forms part of the present working constitution, has broken down in practice. The defects of that system began to appear shortly after the new constitution began to work, and, in some years, it was found that whereas the Provinces were struggling with deficits, the Centre was enabled to present a surplus Budget, a result which was not contemplated at the time when the Reforms were introduced, for, the authorities laid down that it should be unthinkable sequel of the reformed Constitution. The White Paper scheme is certainly an improvement from that point of view upon the present working financial arrangements, in so far as it recognises the responsibility of the Central Authority to share with the Provinces some of the sources of revenue hitherto considered to be exclusively Central, and this is a feature which any one on this side of the House must welcome. I am reminded of the fact that in all the post-war Federal Constitutions, attempts have been made to avoid a rigid partition of revenues between the Federal units and the

Federal authority, and the White Paper scheme is, from this point of view, quite in accord with the precedents that we find in operation in other parts of the world. My Honourable friend, the Deputy President has just referred to the case of Assam and he has put in a powerful plea for an assignment in favour of that Province. Now, federal systems, with the exception of very few, all over the world, do make provision for assignments in selected cases. There are different kinds of allocations made by the Federal Authority for the financial benefit of the units, first assignments, pure and simple without any condition, next subventions for certain specified purposes without the necessary accompaniment of any federal control over the provincial units, and, thirdly, grants-in-aid which are accompanied by some amount of control over the provincial administrations in respect of services for the benefit of which grants are made. Therefore, Sir, in view of these precedents we are certainly entitled to say that in selected cases it is the duty of the Central Authority to come to the assistance of the Provincial Governments, either in the shape of assignments or grants-in-aid or subventions. It is a very pleasing feature of the White Paper,—and there are so few of them in the White Paper that I am particularly pleased to find this in paragraph 187,—where apart from proposing a division of income-tax between the Central Authority and the Provinces, the hope is held out that circumstances permitting, the proceeds of the salt revenue, federal excises and the export duties should also be shared between the Centre and the Provincial units. I do not know when the Central Authority will find itself in a position to make these subventions or assignments, but it is a very great concession in principle which has been made by the White Paper, and we value it all the more, because it goes directly against the principle which has been adopted by the Weston Award and which is part of our present Constitution.

While on this point I cannot omit a reference to the recommendation made in the White Paper in this particular paragraph, that with regard to the export duties on jute and jute products, the assignments to the producing units will be compulsory and will amount to at least 50 per cent. of the net revenue from the duty. I am sorry I was not present here when the general discussion took place on the Budget, but I find that some references were made to the relief which the Honourable the Finance Member has proposed to give in his present Budget to the three Provinces which produce jute; and I want to point out that his action is perfectly in accord with the spirit of this particular recommendation. I have no desire to enter into a controversy with my Honourable friends who have pleaded the cases of their respective Provinces, but I beg leave to say just a few words on this particular point. Sir, I do not know what considerations actually led the authorities to lay down this particular proposal in this form, but I am perfectly certain that public opinion in Bengal will not be satisfied with a mere 50 per cent. of this duty. Now, Sir, if the study of the systems of federal finance in other parts of the world is of any assistance to us in this particular matter, it will be seen that, so far as the import duties are concerned, they are in most cases, if not all, a federal source of revenue although I am aware that even in respect of import duties provincial units in certain federations are in the receipt of a subvention on a *per capita* basis. But apart from that, so far as export duties go, they are treated on an entirely separate footing from import duties, and I find that, in the Constitution of Australia, Customs means only import duty. In the United States of America, there is an actual prohibition under the Constitution itself

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against the imposition of export duties. And in Brazil, which is the only Constitution as far as I have been able to find where a more or less complete division of resources has taken place between the Centre and the Provinces, the export duties are permitted only to the States Government and not to the Central Federal Authority. So when we talk glibly about Customs, we must not forget the essential difference between import duties and export duties. There is no magic in the term Customs. Apart from finding sufficient resources from the Centre the only justification for making the import Customs duty a federal source and not a State source of revenue is that it is very difficult to find out exactly where the goods on which these import duties are levied are actually in use; that is to say, it is very difficult to trace the ultimate payer of that import duty, because certain Provinces, by reason of their geographical situation, may be collecting the Customs revenue when the goods pass through their territory, but, so far as the inland provinces are concerned, they do not get credit for that amount of Customs duty which the inhabitants of those inland Provinces pay in the shape of Customs. But so far as the export duty is concerned,—as in this particular case,—there is no difficulty about identifying the source from which the thing proceeds, and, therefore, there is not that difficulty which we find in the case of import duties of actually finding out the man who pays the duty. And here I am reminded of the argument which Sir Basil Blackett was fond of advancing in this House that, in so far as jute constitutes a monopoly, it is perfectly legitimate on the part of the Central Authority to impose an export duty which does not fall on the producer of that particular commodity, but merely helps the Central Authority in raising a taxation at the cost of the foreign purchaser of the exported jute. There is a good deal of fallacy involved in this argument. In the first place, there is no such commodity as an absolute monopoly, as has been admitted by the Fiscal Commission itself. And apart from that, those who know anything about the conditions of the jute trade in Bengal will be able to tell this House that, although as a producer of the so-called monopoly commodity in Bengal, the cultivator should be in a position to dictate the prices, he is the hardest hit of all the parties that have anything to do with the handling of jute from the point of time of production down to the shipment; and in very many years,—as a matter of fact this has been a chronic complaint with us,—in very many years in succession the producer is hardly able even to recover the bare cost of production. So it is altogether a mistake to describe this commodity as a monopoly commodity so far at least as the producer is concerned; that is to say, the producer is not in the least able to dictate prices. I have not the time to go into any lengthy discussion with regard to the circumstances that bring about that result, but the fact remains that it is a mistaken idea to hold that jute is a monopoly commodity, and, therefore, any duty that may be levied on the export of this commodity is paid by the foreign consumer and not by the producer. We know, again, that attempts are being made with varying degrees of success at finding substitutes for jute. Now, therefore, we say, why not let the Province decide whether to keep up this duty as a Customs duty or impose a kind of excise upon the production of jute having regard to all the circumstances? That is to say, if the Provincial Government, which are best fitted to come to a decision on this point, finds that this particular duty is harming the interests of the jute industry, it will be up to that Government with the help of the

Legislature to so regulate the duty as to relieve it of any unnecessary burden. I remember Sir Basil Blackett inquiring of me whether I thought that this was a bad duty. He said, "If you consider it a bad duty, abolish it; if it is a good duty, it is mine". That was his argument. I said, "If it is a bad duty, let the Provincial Government and the Provincial Legislature decide upon whatever course they choose to adopt; if it is a good duty, it is a duty which you are enabled to impose with my help, that is to say, with the help of a commodity which I produce, and I certainly should have a share in it if not the whole of it". Having regard to all the circumstances of the case, I think that this half measure should be welcomed in the present financial circumstances of the Government of India, but that Bengal opinion will not be reconciled to it unless, in the fullness of time, we are given the fullest benefit of this particular tax. . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has five minutes more.

Mr. K. C. Neogy: I am very sorry I shall not be able to deal with many more points. I just want to go back to the point I was making when I began and that is this: that so far as the basic principle of the White Paper scheme on this particular point is concerned, it has, I think, general support on this side of the House. There are certainly minor points with regard to which there is a good deal of difference of opinion. My Honourable friend, Mr. Das, for instance, has referred to one of those points, namely, that our representatives in England have been rather too accommodating to the interests of the Indian States and that they should not have agreed to some of the conditions to which they agreed while in England. When I read the evidence of Sir Akbar Hydari on this particular point, I was really surprised that he should be doubting the solvency of the Government of India in this way, and that he should be hesitating to enter the Federation unless his terms with regard to the division of income-tax were accepted. This certainly is a matter on which there is considerable feeling in British India. The only redeeming feature of Sir Akbar Hydari's statement is, as pointed out by the Secretary of State himself,—I am giving a free interpretation of the statement made by the Secretary of State—that the Committee should not be too critical of this particular statement made by Sir Akbar Hydari, but it is of great value in so far as the States have agreed to undertake financial obligations at a particular point. Even that was a very uncertain factor before. He said: "I would draw the attention of the Committee and the delegates to the one salient fact, namely, that at a point the States contemplate undertaking burdens other than the burdens of indirect taxation." That was welcomed by the Secretary of State as a very great concession. It hurts my self-respect to think that the States should be permitted to dictate to us in this fashion. When we read the report of the Federal Finance Committee, known as the Eustace Percy Committee, we find that they have definitely come to the conclusion that not only is the pre-Federation debt fully secured as regards assets that will be passed on to the Federal Government, but that the service of that debt will be fully covered by the sources of revenue which will remain at the disposal of the Federal Government. If that is the position, that is to say, if we are transferring to the Federation the debts and also the ample securities that we have covering those debts, and also the capacity to serve those debts, why should there be this kind of hesitation on the part of the Indian States to enter the

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Federation? Why should there be any kind of suspicion in their minds as regards the solvency of the Federal Government? This is one point about which British Indian opinion is very strong. I do hope that my Honourable friend, Sir Cowasji Jehangir, while speaking on this point will clear up the issue and satisfy the House that the attitude of compromise, which was adopted by the British Indian representatives in London with regard to this point while dealing with the States' claims, was really a reasonable one.

I do not think I can add anything very much more in the limited time at my disposal, but it seems to me that we are debating this question in an atmosphere of unreality, because we are at the present moment in the grip of various forms of emergency taxation, surcharges and the like: the railway profits have altogether disappeared from the Budget of the Government: there is the shrinkage in customs and income-tax. I for myself do not know when the circumstances contemplated by the different authorities in England will arise, when these reliefs in the form of assignments from the income-tax will be possible to be made in favour of the Provinces. Then, . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must conclude now.

Mr. K. C. Neogy: I will take just half a minute. Reference has been made to the proposed enquiry into the financial relations of the Provinces and the Central Authority—I do not know when the inquiry is proposed to be set up. As far as is known, Provincial Autonomy may not take long in coming; although we do not know what interval will elapse between that particular date and the date when the Federation will come into being, if it comes at all. I should like to know from the Honourable the Finance Member something on this point, because I fully realise that he will not be in a position to discuss the merits of the proposals in so far as they are in a sense *sub judice* in England.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, our friend, Mr. Das, has raised a debate in this House on a subject which is, if I may say so, not very pertinent to the present Budget. He dips far into the future, and, so far as I can understand from his very lucid speech, he made one important point, and that was that the States were likely to get the best of British India with regard to the financial position of the Federation. I do not know whether he meant it as an accusation against some of us who sat on what is called the Peel Committee, which was the last of the Committees, that considered this question of Federal finance.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I do not know whether he meant to accuse us of partiality towards the States . . .

Mr. B. Das: I wanted elucidation.

Sir Cowasji Jehangir: . . . but let me tell him and my friend, Mr. Neogy, that there was considerable difference of opinion between the representatives of States and those who were there to represent British India

and so much was that difference of opinion that we never came to any definite agreed conclusions. If my friends would look at the Peel Committee's Report, they would see in its paragraphs pointed allusion to those differences of opinion. Sir, the case of the States was that if they were asked to come into a Federal Government, it ought to be a Government, which ought to be a Government, that was not encumbered by past debts, and that they should not be called upon to pay those past debts. We contested that position and we had behind us the authority of the Percy Committee's Report. Sir, I cannot do better than point out just one paragraph in the joint memorandum which was our case in the Peel Committee's Report. This is put in a few lines. It says:

"Since the Percy Committee have definitely found that the pre-Federation debt of India is covered by the assets to be transferred to the Federal Government, there is no justification in theory for the assignment to the Federal Government of any portion of the personal income-tax paid by the residents of the Provinces since no corresponding tax on incomes will be paid by the States".

Sir, coming to the Peel Committee's Report, you will find that the States demanded that 8½ crores of the income-tax should be assigned permanently to the Federal Government. We could not possibly agree to a permanent assignment of the income-tax to the extent of 8½ crores to the Federal Government for all time, but we were prepared to assign five crores for reasons given in paragraph 4 of the Peel Committee's Report. There are certain portions of the income-tax which in equity belong to the Central Government. They are: Corporation tax, tax on Federal officers, tax in Federal areas, tax on the Government of India Securities, tax on the income-tax of persons not resident in British India. According to calculations made, income-tax under such heads would amount to about 5½ crores. We were prepared to concede five crores. The States, as I have already said, demanded 8½ crores.

Then, again, there was a recommendation in the Report that for a certain number of years the full income-tax should be retained by the Federal Government. The question was what that number of years should be. The States said ten years, whereas we said from four to five years, and, therefore, if my friend, Mr. Das, believes that we agree with the States in their demands, he is very much mistaken. What the Constitution is really going to be is on the laps of Gods, and, on a Budget discussion in 1934, I do not desire to anticipate the Budget of, shall we say, 1938 or 1939

An Honourable Member: You are very optimistic.

Sir Cowasji Jehangir: Sufficient unto the day is the evil thereof. When the time comes for the 1938 or 1939 Budget,—I may not be here, but I am sure, my friend, Mr. Das, will be here to fight the representatives of the States as to what their proper share should be.

An Honourable Member: He will be in dotage.

Sir Cowasji Jehangir: Now, Sir, I do not know whether there is any other point to which I can refer in the speech made by my friend, but this debate has given occasion for a very lucid speech from my friend, Mr. Neogy, who explained the theory of Federal finance. We are grateful to him for it. Mr. President, I do hope that when Federation does materialise it will be found that it is satisfactory both to the States and to British India, and, while speaking on this subject, it will not be impertinence on

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my part to suggest one thing. I would ask my friends, the representatives of the Indian States, not to carry their arguments too far when it comes to striking a bargain. I can understand asking for more than what they are prepared to take, but one of the failings of very many on this side is going on bargaining a little too long

An Honourable Member: Do you speak for yourself or for others also?

Sir Cowasji Jehangir: It is one of those instincts in man which is sometimes called genius to know when to stop and when to strike a bargain. I do trust that those who have a predominant voice in the Councils of the States will have that genius and will be able to realise when the proper time has come for striking that bargain and coming to a compromise,—for if they do not,—I am one of those friends of the States who really believe that it will not only be very harmful to the interests of the whole of India, but it will be more harmful to the interests of those States which will persist in remaining outside the Federation. If they are to come into the Federation, let them come in as welcome partners, partners whom we shall welcome as co-operators, but let them not come in under any other conditions. Mr. President, we all hope that they will come in willingly as co-operators with us in the future Government of India.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I would respectfully request my friend, Sir Cowasji Jehangir, that last dictum of his own: “don’t go on bargaining too much, but know when to take the bargain”, when I shall move my motion tomorrow. Sir, I am no representative of the States, nor am I in their secrets, as to what they will do or will not do. But there is just one little thing which I have not been able to understand. It looks, in a discussion of this nature, as if you have got to wipe out the past, you have got to forget everything that had happened. They said: “Take things as they are today and agree after some haggling, of course, to what I suggest, or it will be very bad for you”. What I mean is that from the year 1765 the Indian States, that are existing now, have been in one form or another assigning territories or paying huge big sums of money, and were it not for those territories, my Honourable friend, Sir Cowasji Jehangir, would not be able to administer such a huge big Empire as the Indian Empire.

Sir Cowasji Jehangir: I do not administer.

Raja Bahadur G. Krishnamachariar: But you administer here in this Assembly. Take, for instance, the State of Hyderabad—the Northern Circars, four districts, Cudappah, Kurnool and Bellary Ceded Districts, and last, but not least, the Berars. Now, the significance of the Berars under the agreement that was executed in 1902—I do not know what is going to happen hereafter, the announcement that was made was only a partial announcement—taking the administration of the Berars together with the Central Provinces after the agreement of 1902, there is a net contribution by the Berars of Rs. 60 lakhs to the administration of the Central Provinces and the Berars every year, but for which the administration of the Central Provinces would have been bankrupt long ago. Now, I ask, where these Rs. 60 lakhs came from. May I know, in view of the treaty arrangement regarding the troops, how much the British Govern-

ment has gone on making in the shape of income? A Committee sat regarding this matter, and I want to ask my Honourable friends before they say that an Indian State should not at all bargain, or "only just for the form's sake, you bargain, but eventually yield"—those gentlemen, who say that, should have a look at the appendix to that report and they will see that at least six pages consist of a list of the assignment of territories, State by State. Don't they cost something? I will give you an instance. When the Berars had not yet been finally settled in 1902 and when under the treaty there was an agreement that any surplus, if any, should be given over to the Nizam—no surplus ever remained, but the moment the 1902 agreement was made, then the six districts were converted into four districts, and troops and other things were moved away, and certain serious retrenchments were made in the administration, with the result that Rs. 25 lakhs were given to the Nizam and Rs. 60 lakhs were contributed year after year to the administration of the Central Provinces. I won't elaborate that point. What I say is, by all means come to a conclusion, and a fair conclusion which would justify the States entering into the Federation. But when you do make that adjustment, don't forget the past. That I understand—I do not know, I have not been in the secrets of Sir Akbar Hydari, and I do not know why the States all combined together and authorised him to make that statement, but all that I do know is that the British Indian Budget having had a tendency of somehow or other not being balanced all these years, the moment that those gentlemen get into the Federation, they will be told, you must balance the Budget of the Federation, somebody must pay, the British Indians have not got the money to pay, so let the Indian States pay. That would be the position which would happen, that, I believe, is the reason why Sir Akbar Hydari made a provision that the Budgets of all the Provinces should be balanced, the Budget of the Central Government should be balanced and the *status quo* should be maintained. So much for that.

I do not know that I have sufficiently understood the principles of Federal finance, but if what my Honourable friend, Mr. Neogy, enunciated today is correct, there is a little matter so far as Madras is concerned, to which I am entitled to lay a claim.. We produce a lot of salt. It is our produce, and upon the same principle that Bengal wants back the jute tax, call it excise, call it export duty, or by whatever name, whatever it is, pay my share of salt. And I am not doing it because one Province asks another Province. I was reminded the other day when Bengal and Bombay were fighting as to who should share in the carcass of this Rs. 1,80 lakhs—I was reminded of a little story. There was a shipwreck. The ship carried both a cargo of salt and a cargo of betel leaf. When the ship was wrecked, the cargo of salt went down, and the man who sent that cargo of salt was beating his breast saying "I have lost everything. I have become a bankrupt", and so on. Our friend, the betel leaf consignor, began to make a greater noise, saying that he also had lost everything. But what did he lose? It is swimming there, he can immediately take the leaves back, there is no loss of betel leaf, though I am not sure if any harm is done to it by a little bit of soaking in salt water. (Laughter.) That, Sir, was the story of these two gentlemen fighting. I am not putting it on that ground. My friends have said that the Meston Award was not fair to them. Shall I tell you a story about Madras? Every year, from the time when the Meston Award came into existence up to the time the other day when they remitted, I believe, our Provincial contribution—Rs. 3,83 lakhs have been paid year after year by Madras. Let any other Province show its account . . .

Mr. K. C. Neogy: We have been paying four crores of rupees in customs duty.

Raja Bahadur G. Krishnamachariar: I have contributed to the establishment of the East India Company in Madras. (Laughter.) What is the good of saying all that? You contribute customs, I contribute something else.

Mr. K. C. Neogy: In jute alone

Raja Bahadur G. Krishnamachariar: In cash alone I paid Rs. 3,83 lakhs. (Laughter.) What I say is this. It is all my foolishness. These Madras people have got a peculiar habit of hoarding. That is a trait that is even now exhibited in Madras, because, the other day, in presenting the Budget, the Finance Member of the Madras Government would not agree to the remission of revenue that we asked for although he himself agreed to do so as President of the Finance Committee. In presenting the Budget, he said, we shall have to spend so much upon this item, so much upon that item

Mr. K. C. Neogy: The Honourable Member himself has set a very bad example to his Government of hoarding. (Laughter.)

Raja Bahadur G. Krishnamachariar: That is unfortunately the case. The result is that the Imperial Government pounces upon the whole thing and year after year Rs. 3,83 lakhs has been taken away from me. That is the condition in which I am, and if I ask for this, not as a favour, but as a basic principle of Federal finance which my Honourable friend, Mr. Neogy, enunciated, which I think he correctly enunciated, I say I want a share of that at least

Mr. K. C. Neogy: My idea is to give my Honourable friend's Province more, but only his friend, Sir Akbar Hydari, stands in the way. That is my complaint.

Raja Bahadur G. Krishnamachariar: That is all very well. There is an old Urdu saying, "*halwai ki dukan, aur dadaji ki fatcha*". You know, among the Muhammadans they make a *fatcha* and distribute sweets. The gentleman had no money and so he stood in front of the sweetmeat shop and performed the *fatcha*. (Laughter.) "I want to give you more money, you won't take it, because Sir Akbar Hydari says something". I am not concerned with those gentlemen at all. They may give or they may not give. I have always held the view that responsibility at the Centre should not be delayed until the princes come in, and, sure as I am standing here, I should be greatly surprised if this Federation materialises in the immediate future. I know the difficulties, I know the troubles, and time after time these obstructions come up, these impediments occur.

The next item upon which, I say, we are entitled, if not to the entire profit, at least half of it, is pepper. Malabar produces pepper, and, so far as I know, no other Province produces pepper. (Interruption.) If other Provinces produce, I suppose it is just like mangoes being produced in England, for instance. That does not count. They produce mangoes there in what are called hot houses. You compare the production of Malabar in pepper and you compare the production of the same article in other places. Malabar stands first and upon the same principle as the production for jute, I want that some portion should be given to me.

An Honourable Member: Assam also produces.

Raja Bahadur G. Krishnamachariar: I know that Assam also produces. That is just like England producing mangoes in a hot house. I am not here objecting to people taking what they can. I am trying to substantiate my claim to take what I want. That is all I am concerned with. I am entitled to it. The whole thing, as Sir Cowasji said, is somewhat outside the mark and upon the principle not to prophesy unless you know, it is just as well that we do not trouble ourselves about these things.

An Honourable Member: Is there an export duty on pepper?

Raja Bahadur G. Krishnamachariar: Not so far as I know.

An Honourable Member: Then what do you want?

Raja Bahadur G. Krishnamachariar: I will explain to the Honourable Member if he will come to me privately. I have finished. I entirely agree with Sir Cowasji Jehangir that it is somewhat premature to discuss what will happen in 1940, or in the Greek Kalends.

The Honourable Sir George Schuster: This has been a very pleasant discussion conducted among a somewhat small circle opposite in which I feel it is almost an intrusion on my part to offer my remarks, and indeed, Sir, it is extremely difficult for me to do so, as I am sure Honourable Members opposite will realise. One of the speakers has said that this debate has been carried on in an atmosphere of unreality. I feel that it is really a correct description of the position. Here we are, during these weeks, engaged upon the discussion of how we are to provide for the financial administration of India in the year 1934-35. Honourable Members will have already appreciated from my account of the position that, in order to meet all the needs, it is extremely difficult to find adequate revenue, and in these circumstances, to discuss the distribution by the Central Government of large shares of important sources of revenue, such as Taxes on Income, seems to me to import an atmosphere of unreality into our discussions. Whatever the position as between British India and the States may be, I trust that all Honourable Members, who are studying this matter, will look upon it in an atmosphere of reality.

I am not one of those who think that the Constitutional Reforms should be held up because of financial difficulties, but I do feel that those who are responsible for provincial administration, or likely to be responsible for it in the future, and who at present are looking to find a solution of their difficulties in the distribution of large sources of revenue by the Central Government are approaching this problem in an atmosphere of unreality. All the Governmental Authorities in India today and all the Governmental Authorities in India of the future, whether it be a Federal or any other form of Constitution, will have an extremely difficult task to provide sufficient funds from taxes in order to meet the expenditure which the public will demand; and it behoves all those, who are likely to carry any part of this responsibility, to exercise their ingenuity in considering how new sources of taxation can be tapped, with the least deleterious effect on the economic processes of India, and having done so, to make the public of India appreciate that that is the task that lies before them. I am one of those who believe that, so far as we can

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see at present, it will be impossible to provide an adequately stable foundation for the finances of the Federal Government of India, without leaving to that Government a substantial share of the main direct source of taxation, namely, Taxes on Income.

I believe that, so far as the Provinces are concerned, the other possible sources of taxation have not received all the attention that they deserve, sources which are already at the disposal of Provincial Governments. I would remind the House that, in one of the first inquiries that was made into this matter in connection with the new Constitution by Sir Walter Layton, he put forward a very ambitious programme for the expansion of expenditure, particularly by the Provincial Governments, and he indicated a programme which could put 36 crores per annum at the disposal of the various Provincial Governments in India. In order to arrive at that amount, he relied only on taking 12 crores of what are central sources of taxation and left it to the Provincial Governments out of their existing sources to provide the remaining 24 crores. It has always seemed to me that that early attempt, although many of his figures and estimates have been falsified by what has happened since then, nevertheless was at least a more realistic approach to the situation than some, which have been made since then. Sir, I think that is all that I need say on this subject at present. I would only like to add in conclusion that there is no foundation whatever for my Honourable friend, Mr. Das' personal prophecy and that I hope that it will be falsified.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): I have only a little point to urge. As Bengal has been given half the export duty on jute, because jute is the monopoly of Bengal or, at any rate, most of the jute is produced in Bengal, except a little quantity in Bihar and Assam, may I also ask the Honourable the Finance Member to remember that Rajputana contributes about six crores on account of salt tax levied at Sambhar and Pachhbhadra, and while the financial adjustment between the Central Government and Rajputana takes place, will the Government of India consider the claims of Rajputana and Ajmer-Merwara for a refund, for Sambhar till lately was a part of the kingdom of Ajmer. It was in fact the capital of the kingdom. Give us at least one-tenth of this salt tax which Government derive from Rajputana. Just as Government have done justice to Bengal, will they remember the case of Rajputana? We have not got a terrorist movement, but we look after and keep terrorists safe, which Bengal finds it difficult to do. We are a peaceful people ourselves, and I hope that Government will carefully consider our claim on the lines of Bengal.

Mr. B. Das: Sir, when I raised a debate on this subject, there was no desire on my part to take away Rs. 100 from my Honourable friend, the Finance Member's pocket, as the subject in question is beyond the Government of India and is now under the purview of the Joint Parliamentary Committee. . . .

Sir Cowasji Jehangir: Is it a crime for the Honourable Member to allude to it?

Mr. B. Das: Therefore, I do hope, my Honourable friend, the Finance Member, will forward this debate to the Joint Parliamentary Committee (Hear, hear), and when the time will come for the appointment of the Finance Committee, I hope they will take note of the points that have been raised. If that assurance is given, I will withdraw my motion.

The Honourable Sir George Schuster: I have great pleasure, Sir, in giving my Honourable friend that assurance.

The cut motion was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Shanmukham Chetty): Tomorrow morning the Nationalist Party will have its turn, and in the afternoon the Centre, Party. The motion of the Nationalist Party also is under demand No. 28, and, therefore, this demand will stand over.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 7th March, 1934.